State of Alabama

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2015

Front cover: Johnstone's Junonia (*Scaphella junonia johnstoneae*) was designated the official state shell of Alabama in 1990. The Johnstone's Junonia seashell (home of a deep-water marine mollusk) is found only in Alabama waters. The shell was named in honor of Kathleen Yerger Johnstone (an amateur conchologist from Mobile, Alabama who made seashells popular through speeches and books).

Photo by Bradeos Graphon on wikipedia.org

Comments concerning this report should be addressed to:
Office of the State Comptroller
Financial Reporting Section
RSA Union, Suite 206
Montgomery, AL 36130-2602

STATE OF ALABAMA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2015

Robert Bentley
Governor

Young Boozer
State Treasurer

Bill Newton
Acting Director of Finance

Jim Zeigler
State Auditor

Prepared by the
Department of Finance, Office of the State Comptroller
Kathleen D. Baxter, Ph.D, CGFM, CPM • Acting State Comptroller

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STATE OF ALABAMA
Department of Finance
Office of the State Comptroller

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Kay Ivey
Governor

Clinton Carter
Finance Director

Kathleen D. Baxter, PhD, CGFM, CPM
Acting State Comptroller

April 17, 2017

To the Honorable Governor,
Members of the State Legislature, and
the Citizens of Alabama:

I am pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the State of Alabama for the year ended September 30, 2015. I believe the information as presented is accurate in all material respects and complies with Article IV, Section 72 of the *Constitution of Alabama of 1901* and Section 41-4-3(4) of the *Code of Alabama 1975*, as amended. The completeness and fairness of the presentation, including all disclosures, rests with the State's management. This report complies with Article V, Section 137 of the *Constitution of Alabama of 1901* and Section 36-16-1(6) of the *Code of Alabama 1975*, as amended, as the financial report for the State Auditor, State Treasurer, and State Comptroller.

Introduction to the Report

Internal Controls

The internal controls in the State's accounting system have been designed to comply with Alabama statutes requiring the audit of receipts and receivables; the determination of legality and correctness of each claim and expenditure; and that funds are appropriated, allotted, and on deposit in the State Treasury before any warrant is issued. The internal controls include manual pre-audit and automated system edits. As an additional control, the State Auditor's Office is responsible for a post-audit of the accounts and records of the Department of Finance and the State Treasurer's Office. These internal accounting controls provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss or unauthorized disposition and the reliability of the financial records from which the financial reports are prepared. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefits.

Audit

This CAFR has been audited by the Department of Examiners of Public Accounts. The Examiners conducted their audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The Examiners' unmodified opinion appears at the beginning of the financial section of this report. The State will also undergo an audit of federal programs to conform to the requirements of the *Single Audit Act Amendments of 1996* and the *U.S. Office of Management and Budget Circular A-133*, *Audits of States, Local Governments, and Non-Profit Organizations*. Information relating to the single audit, including the schedule of expenditures of federal awards, and audit findings and recommendations, is issued in a separate report and will be available at a later date from the Department of Examiners of Public Accounts.

Management's Discussion and Analysis

Governmental Accounting Standards Board (GASB) Statement No. 34 requires that management provide a narrative introduction, overview and analysis to accompany the Basic Financial Statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report. The MD&A provides an overview of the State's financial activities addressing both governmental and business-type activities reported in the government-wide financial statements. In addition, the MD&A focuses on the State's major funds, such as the General Fund, Education Trust Fund, Alabama Trust Fund, and Unemployment Compensation Trust Fund.

Profile of the Government

Reporting Entity

This report presents financial information on all of State government as a single reporting entity. While state law allows many state organizations to operate largely independent of the daily central control and scrutiny of the Department of Finance, State Auditor, and State Treasurer, this report combines the financial data of all state organizations in order to present a comprehensive picture of state finances. The numerous departments, agencies, elected officials, boards, commissions, authorities, colleges, universities, and other organizational units of the State are included in this report in accordance with standards established by the Governmental Accounting Standards Board. These standards make a distinction between organizations which are considered to be part of the primary government of the State and those which are component units. A component unit is defined as a legally separate corporate entity for which the State is considered to be financially accountable. The criteria used to determine financial accountability include the appointment of a majority of the governing board, the ability of the State to impose its will on the organization, and the potential for the organization to be a financial benefit or financial burden to the State. The State is also considered financially accountable for any organization having an independently appointed board if that organization is fiscally dependent on the State. An organization is fiscally dependent if it is unable to adopt a budget, set rates or charges, or issue bonded debt without the approval of the State. Component units can be reported as if they are a part of the primary government ("blended presentation") if they provide services solely to the government or if their debt is repaid solely by the government, but many of the State's component units do not and are therefore presented separately ("discrete presentation") in these financial statements. The largest of the blended component units includes the Public School and College Authority, Department of Mental Health, and the Federal Aid Highway Finance Authority. The major discretely presented component units are the University of Alabama, Auburn University, the University of South Alabama, the Alabama Housing Finance Authority, the Public Education Employees' Health Insurance Board, and the State Employees' Health Insurance Board. Note 1 to the financial statements provides a more complete description of the State's reporting entity.

Budgetary Controls

Budgetary control is exercised through the Executive Budget Office of the Department of Finance based on the Appropriation Acts of the State Legislature. Alabama's annual Appropriation Acts include legally adopted budgets for the General Fund, the Education Trust Fund, and other budgeted funds. The Appropriation Acts identify the source of funding and the programmatic (functional) areas for which expenditures are authorized. Both the *Constitution of Alabama of 1901* and the statutes require a balanced budget for annual financial operations. In the event that revenue collections do not meet budget projections, the Governor is required to prorate appropriations and restrict allotments to prevent an overdraft in any fiscal year for which appropriations are made. Allotments of appropriations are made quarterly based on plans of operations submitted by the departments and agencies. These appropriations and allotments are enforced by automated edits that prevent allotments in excess of appropriations and expenditures in excess of allotments. Encumbrance accounting is utilized as purchase orders are issued to insure that purchase orders plus expenditures do not exceed allotment balances. Controls are further tightened at fiscal year-end by verifying that the total of purchase orders plus expenditures plus any obligations (accounts payable) incurred against fiscal year appropriations do not exceed allotments, and remaining allotments do not exceed cash in the Treasury.

Cash Controls

The State's controls on cash are fiscally very conservative. Amendment 26 to the *Constitution of Alabama of 1901* prohibits the State Comptroller from drawing warrants on the State Treasury unless there is money on hand to cover those warrants. This is more restrictive at the end of the fiscal year when obligations (encumbrances and accounts payable) cannot exceed the available cash balance (cash less warrants payable). This control is enforced by automated edits and tends to result in positive fund balances, even when generally accepted accounting principles (GAAP) basis accruals are made in the financial statements. Compliance with Amendment 26 is demonstrated in the following exhibits for the General Fund and the Education Trust Fund.

Summary of Receipts, Disbursements, and Cash Balances
General Fund
Last Five Fiscal Years - Cash Basis (Treasury Cash Only)
(Amounts in Thousands)

	2015	2014	2013	2012	2011
Beginning Cash Balance, October 1	**$ 128,462**	**$ 122,204**	**$ 82,198**	**$ 78,027**	**$ 135,668**
Receipts	1,851,313	1,754,573	1,725,226	1,683,865	1,517,092
Disbursements	1,833,721	1,748,315	1,685,220	1,679,694	1,574,733
Net Increase (Decrease) in Cash Balance	**17,592**	**6,258**	**40,006**	**4,171**	**(57,641)**
Ending Cash Balance, September 30	**146,054**	**128,462**	**122,204**	**82,198**	**78,027**
Cash Balance Reserved for Obligations	51,302	44,843	60,901	39,825	33,640
Unobligated Cash Balance, September 30	**$ 94,752**	**$ 83,619**	**$ 61,303**	**$ 42,373**	**$ 44,387**

Summary of Receipts, Disbursements, and Cash Balances
Education Trust Fund
Last Five Fiscal Years - Cash Basis (Treasury Cash Only)
(Amounts in Thousands)

	2015	2014	2013	2012	2011
Beginning Cash Balance, October 1	**$ 56,967**	**$ 325,918**	**$ 97,745**	**$ 59,280**	**$ 80,532**
Receipts	6,048,341	5,802,736	5,683,296	5,704,208	5,337,664
Disbursements	5,908,119	6,071,687	5,455,123	5,665,743	5,358,916
Net Increase (Decrease) in Cash Balance	**140,222**	**(268,951)**	**228,173**	**38,465**	**(21,252)**
Ending Cash Balance, September 30	**197,189**	**56,967**	**325,918**	**97,745**	**59,280**
Cash Balance Reserved for Obligations	54,505	49,893	59,743	77,800	50,676
Unobligated Cash Balance, September 30	**$ 142,684**	**$ 7,074**	**$ 266,175**	**$ 19,945**	**$ 8,604**

General Fund and Education Trust Fund Balances

The fund balances for the General Fund and the Education Trust Fund for the last five fiscal years are presented in the following table. The fiscally conservative nature of Amendment 26 to the *Constitution of Alabama of 1901* tends to produce positive fund balances. However, in 2009 the Education Trust Fund used the provisions of Amendment 803 to the *Constitution of Alabama of 1901* to borrow $437.4 million from the Alabama Trust Fund in order to avoid deeper cuts from proration. The General Fund borrowed $161.6 million in 2010 under the provisions of Amendment 803 to the *Constitution of Alabama of 1901*. The full amount of the loan to the General Fund remains outstanding while the Education Trust Fund portion was paid off in 2015. The loans left the Education Trust Fund with a deficit fund balance 2010 through 2013.

Fund Balances - GAAP Basis
(Amounts in Millions)

	2015	2014	2013	2012	2011
General Fund	$ 113.9	$ 124.4	$ 94.5	$ 13.3	$ (20.2)
Education Trust Fund	465.9	28.8	(93.7)	(291.8)	(203.1)

Cash Management

The State Treasurer has the responsibility for the investment of cash balances. In accordance with statutory requirements, treasury cash may be invested in Alabama bank deposits, repurchase agreements, U.S. Treasury securities and Agency securities.

The State Treasurer has placed considerable emphasis on cash management. In cooperation with state agencies, the receiving of funds into the State Treasury is expedited, with all excess funds earning interest. Investment earnings received during the 2015 fiscal year were as follows:

Bank Deposits	$ 2.0 million
US Treasury and Agency Securities	$ 7.9 million

Investment earnings are deposited in the State's General Fund to be appropriated by the State Legislature for government operations. In addition to the management of the investment of these funds, the State Treasurer initiates investments for several state agencies, with investment earnings being credited to those agencies.

Long-term Financial Initiatives

During the 2015 fiscal year the State continued implementation of an automated timekeeping system for all State employees paid through the State Comptroller's Office. Approximately fifty percent of state employees are on the automated timekeeping system. In addition to the savings from reduced paperwork and data entry, the State is obtaining savings from better scheduling and reduced overtime costs. The automated timekeeping system standardizes the administration of Department of Labor Fair Labor Standards Act and Family Medical Leave Act, as well as Code of Alabama and State Personnel Department policy and procedures.

The State is in the process of a major multi-year project to upgrade its financial, purchasing, and payroll systems. This project is the first upgrade to the systems since 1999 and is the first major overhaul of business processes since 1990. A pilot version of the financial system was used successfully in 2014 and 2015 by one State agency. The financial and purchasing components will be the State's book of official record for the State for the 2016 fiscal year. Twenty State agencies representing over eighty percent of transactions were fully converted to using the system beginning October 1, 2015 while the remaining departments will continue to use the previous system that feeds into the new system through automated interfaces. The remaining agencies will be converted on October 1, 2016. The payroll system upgrade for all agencies will be implemented in January 2018. The upgraded systems will eliminate the need for circulating paper documents for processing which also makes tracking and retrieval of documents paperless. Reporting capabilities for accountants, auditors, and vendors are vastly improved over the previous version.

Economic Condition and Outlook

In 2015, Alabama's economy grew at a slightly higher pace than in 2014. Consumer spending increased moderately as Alabama's gross domestic product (ALGDP) rose by 2.4 percent. The State's unemployment rate decreased in 2015 to 6.0 percent which is above the national average of 5.0 percent. State tax revenues increased 4.4 percent. Sales tax revenues were up 4 percent and income tax revenue increased 6 percent.

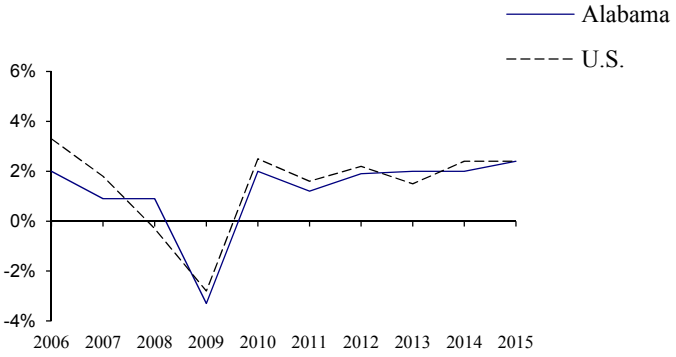
Alabama gained 21,100 jobs during 2015. Industries with significant job increases included leisure and support, administrative support and waste management services, and motor vehicles and parts dealers. Federal jobs increased slightly along with both state and local government sectors. Other industries such as manufacturing, mining and logging, and wholesale trade saw considerable losses.

Manufacturing sector output rose by 3.3 percent during the period October 2014 to October 2015, with an upsurge of 10.6 percent for manufacturers of motor vehicles and parts and an increase of 5.5 percent for petroleum and coal products manufacturing during this period. Printing and publishing along with other transportation equipment also contributed to the growth in manufacturing output with an increase of 4.2 percent and 4.0 percent, respectively. The construction sector's output showed some improvement in the period October 2014 to October 2015 with real output growing by 1.9 percent as well as an increase of 4 percent in employment. Wholesale trade grew 3.5 percent but was accompanied by a 1.4 percent decrease in employment for the period October 2014 to October 2015. Retail output rose 1.4 percent with an employment increase of 0.9 percent.

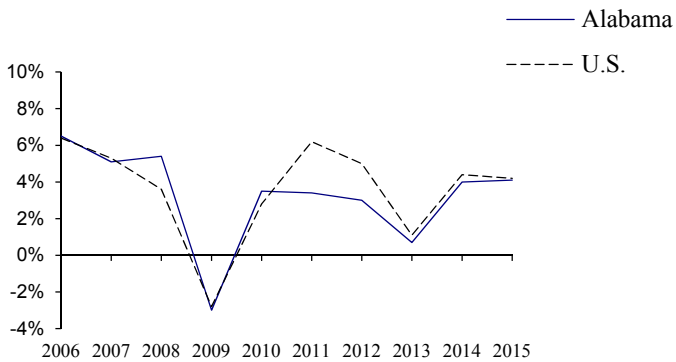
Alabama exports saw a slight decrease from $14.6 billion in the first nine months of 2014 compared to exports of $14.4 billion during the first nine month period of 2015 according to data from the U.S. Census Bureau. Exports to Canada, Alabama's largest trade partner, decreased by 1.0 percent for the first nine months of 2015. Other major export destinations for Alabama products included Germany, Mexico, China, Japan, the United Kingdom, and South Korea. For the first three quarters of 2015, transportation equipment exports amounted to $6.9 billion, a 4.6 percent increase from the same period in 2014. Other major exports during the first three quarters of 2015 were chemicals, minerals and ores, machinery, and primary metals.

Alabama's economy is expected to grow at the same pace in 2016 with a 2.3 percent increase in output. Non-agricultural employment is expected to experience a slight gain of 1.7 percent. Manufacturing and services employers will be the major economic drivers in 2016. These include firms in industries such as automotive manufacturing, aerospace, tourism, healthcare, and biotechnology. However, until uncertainties about federal spending priorities, as well as deficit reduction plans are resolved, many private contractors and government facilities engaged in defense-related projects will be cautious in hiring and investment.

Annual Growth of Gross Product Last Ten Years



Annual Growth in Personal Income Last Ten Years



Source: Center for Business and Economic Research, University of Alabama
University Outreach, Auburn University Montgomery

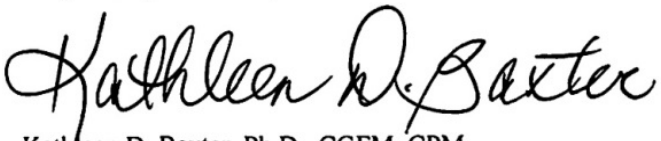
Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Alabama for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2014. This was the sixteenth consecutive year that the State has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

Acknowledgements

Production of this report would not have been possible without the assistance of all state organizations which supplied financial information vital to the accuracy of this report. As we strive to produce this report in future years and to further enhance its quality, the continued support and cooperation of all agencies remain essential. I also wish to express my appreciation to the entire staff in the Division of Control and Accounts, whose daily efforts to improve the accountability of state government make the quality of this report possible.

Respectfully submitted,



Kathleen D. Baxter, Ph.D., CGFM, CPM
Acting State Comptroller

Government Finance Officers Association

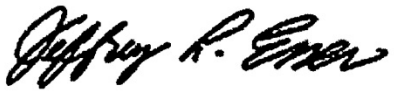
Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Alabama

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014



Executive Director/CEO

September 30, 2015

EXECUTIVE BRANCH

Robert J. Bentley
Governor

Kay Ivey
Lt. Governor

Young Boozer
State Treasurer

John H. Merrill
Secretary of State

John McMillan
Commissioner of Agriculture and Industries

Luther Strange
Attorney General

Jim Zeigler
State Auditor

JUDICIAL BRANCH

Roy S. Moore
Chief Justice of the Supreme Court

Justices of the Supreme Court

Glenn Murdock

Alisa K. Wise

Michael F. Bolin

James Allen Main

Greg Shaw

Lyn Stuart

Tommy Bryan

Tom Parker

LEGISLATIVE BRANCH

Del Marsh
Senate President, Pro Tempore

Mike Hubbard
Speaker of the House

Ronald L. Jones
Examiners of Public Accounts

Othni J. Lathram, Interim Director
Legislative Fiscal Office

Jerry Bassett
Legislative Reference Service

EXECUTIVE BRANCH DEPARTMENTS

Bill Newton, Acting
Department of Finance

H. Mac Gipson
ABC Board

Greg Canfield
Department of Commerce

Neal Morrison
Department of Senior Services

John D. Harrison
State Banking Department

N. Gunter Guy, Jr.
Department of Conservation and Natural Resources

Colonel John E. Richardson
Department of Public Safety

Angus Cooper, III
Alabama State Port Authority

Clifford Walker
Board of Pardons and Paroles

Jim Byard, Jr.
ADECA

Major General Perry G. Smith
State Military Department

Nancy Buckner
Department of Human Resources

Fitzgerald Washington
Department of Labor

Jim Perdue
Department of Mental Health

Lee Sentell
Department of Tourism and Travel

Jeana Ross
Department of Early Childhood Education

Colonel Jeff Dunn
Department of Corrections

Art Faulkner
Emergency Management Agency

John R. Cooper
Department of Transportation

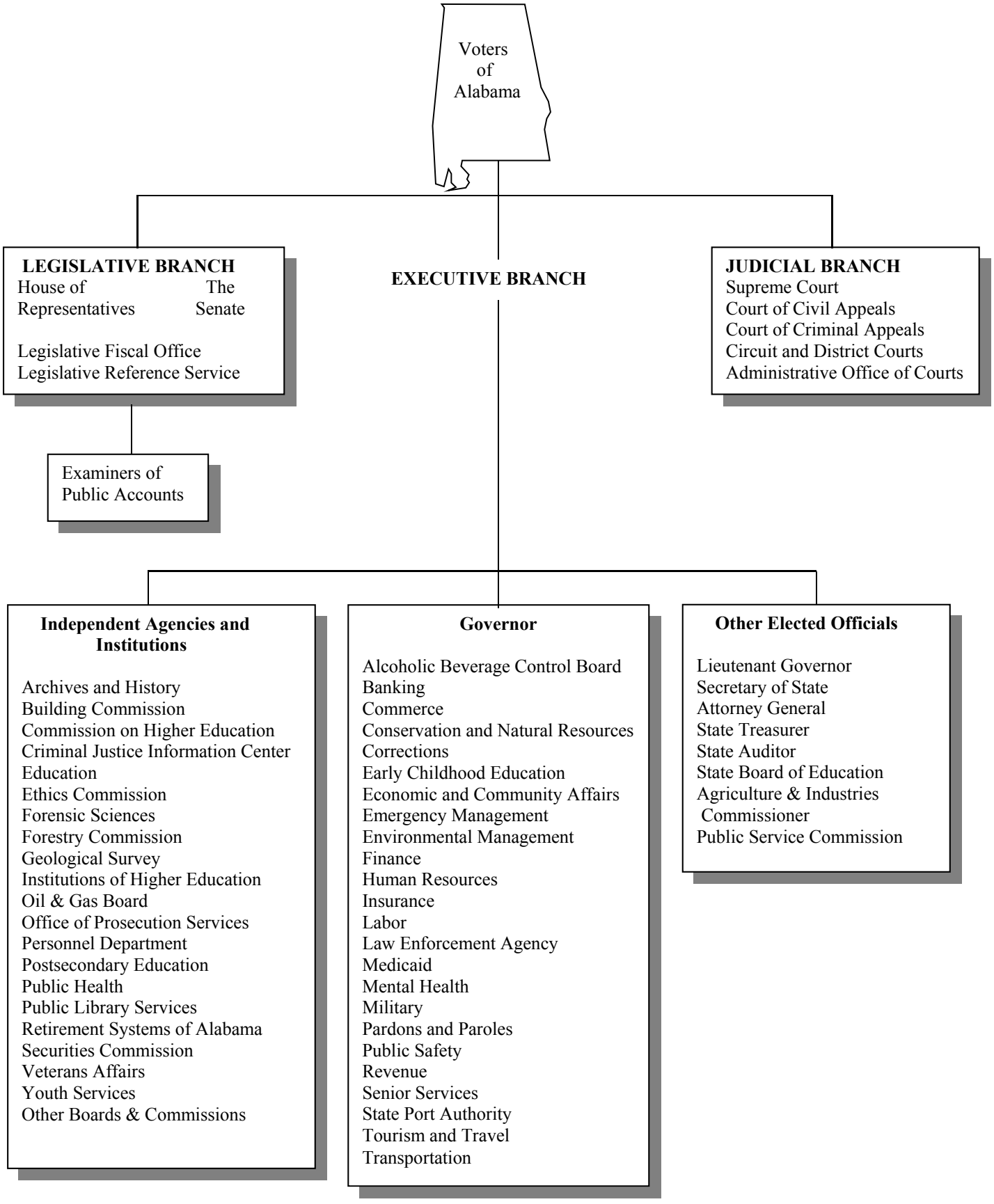
Brunson White
Secretary of Information Technology

Stephanie Azar
Alabama Medicaid Agency

Julie P. Magee
Department of Revenue

Jim L. Ridling
Department of Insurance

Spencer Collier
Alabama Law Enforcement Agency


Voters of Alabama
LEGISLATIVE BRANCH
House of Representatives
The Senate
Legislative Fiscal Office
Legislative Reference Service
Examiners of Public Accounts
EXECUTIVE BRANCH
JUDICIAL BRANCH
Supreme Court
Court of Civil Appeals
Court of Criminal Appeals
Circuit and District Courts
Administrative Office of Courts
Independent Agencies and Institutions
Archives and History
Building Commission
Commission on Higher Education
Criminal Justice Information Center
Education
Ethics Commission
Forensic Sciences
Forestry Commission
Geological Survey
Institutions of Higher Education
Oil & Gas Board
Office of Prosecution Services
Personnel Department
Postsecondary Education
Public Health
Public Library Services
Retirement Systems of Alabama
Securities Commission
Veterans Affairs
Youth Services
Other Boards & Commissions
Governor
Alcoholic Beverage Control Board
Banking
Commerce
Conservation and Natural Resources
Corrections
Early Childhood Education
Economic and Community Affairs
Emergency Management
Environmental Management
Finance
Human Resources
Insurance
Labor
Law Enforcement Agency
Medicaid
Mental Health
Military
Pardons and Paroles
Public Safety
Revenue
Senior Services
State Port Authority
Tourism and Travel
Transportation
Other Elected Officials
Lieutenant Governor
Secretary of State
Attorney General
State Treasurer
State Auditor
State Board of Education
Agriculture & Industries Commissioner
Public Service Commission

State of Alabama
Department of
Examiners of Public Accounts

Ronald L. Jones
Chief Examiner

Independent Auditor's Report

Honorable Kay Ivey, Governor
State of Alabama

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alabama, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the State of Alabama as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain agencies and funds. These agencies and funds reflect the following percentages of total assets or deferred outflows and revenues or additions of the indicated opinion units:

Opinion Unit and Related Agencies/Funds Audited by Other Auditors	Percent of Opinion Unit's Total Assets/Deferred Outflows of Resources	Percent of Opinion Unit's Total Revenues/Additions
Governmental Activities: Alabama Public Health Care Authority	.19%	0%
Business-Type Activities: Alabama Health Insurance Plan Alabama State Port Authority	27%	9%

Opinion Unit and Related Agencies/Funds Audited by Other Auditors	Percent of Opinion Unit's Total Assets/Deferred Outflows of Resources	Percent of Opinion Unit's Total Revenues/Additions
Aggregate Discretely Presented Component Units: State Employees' Insurance Board Public Education Employees' Health Insurance Fund Alabama Housing Finance Authority Alabama Water Pollution Control Authority Alabama Drinking Water Finance Authority Space Science Exhibit Commission University of Alabama Auburn University Alabama State University Alabama A&M University University of South Alabama University of Montevallo Athens State University	92%	92%
Proprietary/Enterprise Fund: Alabama State Port Authority	100%	100%
Aggregate Remaining Fund Information: Alabama Health Insurance Plan Retirement Systems of Alabama Employees' Savings Plans (PEIRAF and RSA-1) Retired Education Employees' Health Care Trust Retired State Employees' Health Care Trust Prepaid Affordable College Tuition Program Alabama College Education Savings Plan Alabama Public Health Care Authority	89%	39%

The financial statements of these agencies and funds were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those financial statements, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Retirement Systems of Alabama, the RSA Employees' Savings Plans (the Public Employees' Individual Retirement Account Fund and the RSA-1 Deferred Compensation Plan), the Public Education Employees' Health Insurance Fund, the State Employees' Insurance Board, the Retired Education Employees' Health Care Trust, the Retired State Employees' Health Care Trust, and the Alabama Health Insurance Plan were not audited in accordance with ***Government Auditing Standards.***

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State of

Alabama's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Alabama, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1-F to the financial statements, in 2015 the State of Alabama implemented new accounting principles GASB Statement Number 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement Number 27*, GASB Statement Number 69, *Government Combinations and Disposals of Government Operations*, and GASB Statement Number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement Number 68*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the other Required Supplementary Information, listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Alabama's basic financial statements. The accompanying supplementary information which includes the combining and individual fund statements and schedules, and the accompanying other information which includes the introductory and statistical sections, listed in the accompanying table of contents, are presented for the purposes of additional information and are not a required part of the basic financial statements.

The accompanying supplementary information (combining and individual fund statements and schedules) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information (introductory and statistical sections) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with ***Government Auditing Standards***, we have also issued our report dated April 17, 2017, on our consideration of the State of Alabama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the State of Alabama's internal control over financial reporting and compliance.

Ronald L. Jones
Chief Examiner
Department of Examiners of Public Accounts

Montgomery, Alabama
April 17, 2017

The following is a narrative overview and analysis of the financial activities of the State of Alabama for the fiscal year ended September 30, 2015. Please consider the information presented here in conjunction with the letter of transmittal, which is located in the Introductory Section of this report, and the State's financial statements, which immediately follow this discussion and analysis.

Financial Highlights

- The State's net position increased by $287 million during the fiscal year. The assets of the State exceeded its liabilities at the close of the fiscal year by $20.9 billion (*net position*). $21.3 billion was the net invested in capital assets, and $2.6 billion was Alabama Trust Capital.
- The State implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions*, resulting in a net pension liability of $3.5 billion for the primary government
- The Change in Net Position in governmental activities was $142 million.
- Governmental activities have $3.4 billion in investments, $2.5 billion of which is held in the Alabama Trust Fund.
- Tax revenues increased $364 million, or 5 percent as the economy improved.
- Income tax revenues increased $232 million, or 6 percent.
- Sales tax revenues increased $91 million, or 4 percent.
- Revenues and expenses increased modestly. Revenues increased $212 million, or 1 percent while expenses increased $491 million, or 2.2 percent.
- The business-type activities reported net position at year-end of $1.4 billion, an increase of $145 million for the fiscal year. The Unemployment Compensation Trust Fund cash grew by $114 million. The operating revenues for the State Port Authority decreased by 10 percent.
- The State's total bond debt at the end of the fiscal year was $5.2 billion, an increase of $400 million.
- The State issued approximately $31 million in new health related revenue bonds, $533 million in new transportation related revenue bonds and $47 million in new education related bonds.
- Capital Assets increased $343 million to $22.6 billion, which includes $19.1 billion in infrastructure assets.
- The Alabama Trust Fund balance decreased by $257 million, or 9 percent, and now stands at $2.6 billion.
- The Alabama Trust Fund receivable from the General Fund and the Education Trust Fund decreased to $162 million as the Education Trust repaid $93 million.
- General Fund revenues increased $45 million, while expenditures increased $42 million.
- Education Trust Fund revenues increased $172 million, while expenditures increased $145 million.
- On a budgetary basis, General Fund revenues and other sources exceeded expenditures and other uses by $16 million. However, on a GAAP (Generally Accepted Accounting Principles) basis, General Fund expenditures and other uses exceeded revenues and other sources by $12 million. The Budgetary Comparison Schedule in Required Supplementary Information reconciles these amounts and lists the accounting basis differences.
- The General Fund was not prorated and the Medicaid Agency has unexpended General Fund appropriations of $24 million to carry over to fiscal year 2016.

Overview of the Financial Statements

This discussion and analysis is an introduction to the State of Alabama's basic financial statements. The State's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* provide a broad overview of the State's financial position and activities measured in a manner similar to a private-sector business. These statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the economic resources measurement focus and accrual basis of accounting. The government-wide financial statements exclude fiduciary activities.

The *Statement of Net Position* presents information on all of the State's assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of the fiscal year. Net position represents the difference between all other elements in this statement. Increases or decreases in net position from year to year may serve as a useful indicator of whether the financial position of the State is improving or not.

The *Statement of Activities* presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the State that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities of the State include general government, economic development and regulation, education and cultural resources, natural resources and recreation, health-physical and mental, social services, protection of persons and property, and transportation. Examples of business-type activities of the State are operation of the State's system of community and technical colleges, unemployment compensation services, operation of facilities for the distribution and sale of alcoholic beverages, and shipping services at the Port of Mobile.

The government-wide financial statements include not only the State of Alabama itself (known as the *primary government*), but also legally separate *component units* for which the State is financially accountable. The major *component units* include the Housing Finance Authority, State Employees' Insurance Board, Public Education Employees' Health Insurance Board, University of Alabama, Auburn University, and University of South Alabama. Financial information for the *component units* is reported in a separate column from the financial information presented for the primary government. The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A *fund* is a fiscal and accounting entity with a self-balancing set of accounts that the State uses to keep track of specific sources of funding and spending for a particular purpose. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the State can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Most of the State's basic services are reported in governmental funds. The governmental fund financial statements focus on near-term inflows and outflows of resources of these funds and the balances of those resources available at year-end. These funds are measured and reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances are followed by a reconciliation to the government–wide statements.

The types of funds which are categorized as governmental funds are the General Fund, special revenue funds, capital projects funds, debt service funds, and permanent funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Alabama Trust Fund, Education Trust Fund, Public Road and Bridge Fund, Public Welfare Trust Fund, and Alabama Medicaid Fund, all of which are

considered to be major funds. Data from the nonmajor governmental funds are combined into a single aggregated column on the basic financial statements. Individual fund data for each of the nonmajor governmental funds can be found in the combining and individual fund statements and schedules section of this report.

Proprietary funds
Services for which the State charges customers a fee are generally reported in proprietary funds. The State maintains two different types of proprietary funds: enterprise funds and internal service funds. Like the government-wide statements, proprietary funds use the accrual basis of accounting.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. These funds report activities that provide supplies and services to external users in a manner similar to private business enterprises. The major enterprise funds are the Unemployment Compensation Trust, State Port Authority, Alabama Community College System, and the Alcoholic Beverage Control Board. Individual fund data for each of the nonmajor enterprise funds can be found in the combining and individual fund statements and schedules section of this report.

Internal service funds report activities that provide supplies and services to other state agencies on a cost-reimbursement basis. These funds are reported as governmental activities on the government-wide financial statements. These funds provide computer services, information technology, telecommunications, rental of office buildings, janitorial services, building maintenance, manufacturing activities, and liability protection. The internal service funds are aggregated in a single column on the proprietary fund statements.

Fiduciary funds
The State acts as a trustee or fiduciary for its employee pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The State's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These funds, which include pension and other employee benefits, private-purpose, and agency funds are reported using accrual accounting. The government-wide financial statements exclude fiduciary fund activities and balances because the resources of those funds are not available to support the State's own programs.

Notes to the Financial Statements
The notes to the financial statements are an integral part of the financial statements. They explain amounts shown in the financial statements and provide additional information that is essential to the fair presentation of the government-wide and fund financial statements.

Required Supplementary Information
In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* which includes (1) budgetary comparison schedule reconciling the budgetary fund balances and generally accepted accounting principles fund balances at fiscal year-end, (2) ten year loss development information for the State Insurance Fund, (3) Ten Year Trend Information for Teachers' Retirement System, Judicial Retirement System, and Employees' Retirement System (4) related notes to trend schedules for Employees' Retirement System, (5) a schedule of funding progress for the Retired State Employees' Health Care Trust and related notes, and (6) information about infrastructure assets reported using the modified approach.

Other Supplementary Information
Other supplementary information includes combining financial statements for nonmajor governmental funds, nonmajor enterprise funds, internal service funds, fiduciary funds, and nonmajor discretely presented component units. These funds are added together by fund type and presented in single columns in the basic financial statements.

Government-wide Financial Analysis

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The State's combined net position for governmental and business-type activities is $20.9 billion in contrast to the prior year balance of $20.6 billion. The largest component of the State's net position reflects its investment in capital assets, such as land, buildings, equipment, and infrastructure (e.g., roads, bridges, tunnels), less any related outstanding debt used to acquire those assets, plus capital-related deferred outflows of resources, less capital-related deferred inflows of resources. The State uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Also, it should be noted that the resources needed to repay the capital-related debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Capital Assets increased $343 million, which included $283 million in increases in infrastructure and infrastructure construction in progress. Business-type capital assets increased $18 million, or 1 percent. The College System alone had $25 million more in capital assets at year-end resulting from building additions and construction in progress.

The total of Current and Other Assets is $10.5 billion, an increase of $363 million, or 4 percent. Included in that amount were cash and cash equivalents of $4.1 billion and $1.1 billion due from other governments. A little over half the amount due from other governments consists of loans to local school systems and most of the remaining amount is due from the federal government for amounts earned under federal programs. The balance also includes $3.7 billion in investments, $2.5 billion of which is held in the Alabama Trust Fund. Business-type Current and Other Assets increased $125 million, or 11 percent, primarily because the Unemployment Compensation Trust Fund cash grew by $114 million.

The State implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27*, during fiscal year 2015. The new GASB reporting requirements impact the measurement and recognition of pension-related liabilities, deferred outflows of resources, deferred inflows of resources, and pension-related expenses. As a result, the beginning net position for fiscal year 2015 has been restated. The total primary government net pension liability for 2015 and 2014 as restated is $3.5 billion and $3.6 billion, respectively.

Of total liabilities, 81 percent are long-term liabilities. The State has $10 billion in long term liabilities, which includes $4.9 billion in bonds payable, $3.5 billion in net pension liability, and $1.1 billion in post-employment health care benefit liabilities. Total liabilities increased 2 percent, or $224 million. Bond debt increased by $377 million while post-employment health care benefit liabilities rose $144 million and net pension liability decreased $178 million.

Deferred Outflows of Resources is $374 million, an increase of $22 million. $259 million is pension related and $115 million is losses for bond refundings. Deferred Inflows of Resources is $223 million at the end of the current fiscal year, an increase of $222 million. $219 million is pension related and $4 million is gains from bond refundings.

Restricted net position represents resources that are subject to external restrictions, constitutional provisions, or legislative restrictions on how they may be used. Internally imposed designations of resources are not presented as restricted net position. The State's net position that is unrelated to capital assets includes $7.6 billion in restricted net position, an increase of $477 million from the prior year. Unrestricted net position represents the remaining amount of net position that may be used to meet the State's ongoing obligations that are not funded by resources that are restricted. The State has a deficit in unrestricted net position of $7.9 billion. Business-type activities had a deficit unrestricted net position of $82 million.

Net Position as of September 30

(Amounts in Thousands)	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	$ 9,187,691	$ 8,944,610	$ 1,268,320	$ 1,142,953	$ 10,456,011	$ 10,087,563
Capital Assets	21,027,759	20,702,549	1,584,905	1,567,285	22,612,664	22,269,834
Total Assets	30,215,450	29,647,159	2,853,225	2,710,238	33,068,675	32,357,397
Deferred Outflows of Resources	325,268	307,143	48,794	45,230	374,062	352,373
Long-term Liabilities	8,822,842	8,489,962	1,189,517	1,234,054	10,012,359	9,724,016
Other Liabilities	2,040,873	2,102,243	240,644	243,547	2,281,517	2,345,790
Total Liabilities	10,863,715	10,592,205	1,430,161	1,477,601	12,293,876	12,069,806
Deferred Inflows of Resources	173,866	859	48,705	0	222,571	859
Net Position						
Net Investment in Capital Assets	20,274,848	20,120,675	980,145	935,875	21,254,993	21,056,550
Restricted	7,088,022	6,778,290	525,088	358,095	7,613,110	7,136,385
Unrestricted	(7,859,733)	(7,537,727)	(82,080)	(16,103)	(7,941,813)	(7,553,830)
Total Net Position	$ 19,503,137	$ 19,361,238	$ 1,423,153	$ 1,277,867	$ 20,926,290	$ 20,639,105

Change in Net Position

The table on the following page was derived from the government-wide Statement of Activities. Revenue is categorized as either program revenue, which is generated by the program itself, or is received from another government, or general revenue. Program revenues include charges for services, operating grants and contributions, and capital grants and contributions. As a result of the excess of revenues over expenses, the State's net position increased by $287 million during the fiscal year. Taxes provided $8.5 billion, or 39 percent, of the State's total revenue. Tax revenues increased by $364 million, or 5 percent, compared to the previous year as the economy continued to improve. $232 million of the increased revenue was income taxes, which was up 6 percent. Sales taxes increased $91 million, or 4 percent. Operating Grants and Contributions revenue increased $217 million, or 3 percent to $ 8.6 billion. Federal revenues increased $252 million for the Medicaid program; however, federal funding for unemployment compensation drawdown programs decreased $30 million. Capital Grants and Contributions increased $45 million to $1.0 billion. Charges for Services revenue decreased $54 million, or 2 percent.

General revenues, which include taxes, were flat at $9.7 billion, an increase of $3 million. Unrestricted investment earnings were $22 million, a decrease of $186 million, or 89 percent from last year. In total, revenues and expenses had modest increases. Total revenues increased $212 million, or 1 percent, and total expenses were up $491 million, or 2 percent.

Governmental Activities

Total revenues for governmental activities for the fiscal year were $20.4 billion, an increase of $505 million or 2.5 percent. Charges for Services were down slightly by $5 million. Operating Grants and Contributions increased $298 million, or 4 percent. Unrestricted Investment Earnings was down $188 million, an 89 percent decrease. Taxes increased $362 million, or 4 percent, on the strength of improved income and sales tax revenues, while Capital Grants and Contributions increased $54 million, or 6 percent.

Expenses for governmental type activities totaled slightly under $20 billion, an increase of $592 million or more than 3 percent. Education and Cultural Resources spending increased $127 million, or 2 percent. Included in Education and Cultural Resources spending was an increase in the Local Financial Assistance program of $63 million and an increase in Industrial Training of $62 million. Expenditures for Health increased $277 million, or 4 percent, as the Hospital Care program increased by $90 million, the Pharmaceutical program increased $58 million, and the Children's Health Insurance Program (CHIP) increased $58 million. Protection of Persons and Property increased $43 million or 4 percent.

Business-type Activities

The largest business-type activity is the Alabama Community College System, which accounts for 44 percent of business-type net position. The other major business-type activities are the Alabama Port Authority, the Alcoholic Beverage Control Board, and the Unemployment Compensation Trust. During the fiscal year the net position of business-type activities increased by $145 million. Revenues of business-type activities totaled $1.3 billion, a decrease of $140 million, or 10 percent. Most of this revenue was self-generated program revenues; only $19 million of the $1.3 billion revenues came from general revenues. The program revenues consisted of $1.0 billion of charges for services, a decrease of $49 million, or 5 percent, and $256 million of operating grants and contributions, a decrease of $80 million or 24 percent. The change in operating grants and contributions resulted from decreases in the Federal Unemployment Compensation (UC) Drawdown programs and decreases in federal grants for the Alabama Community College System. Of the $292 million in net transfers between governmental activities and business-type activities, most of the transfers are from the Education Trust Fund to the Alabama Community College System as mandated by the legislature in the appropriation acts.

Overall business-type expenses were $1.5 billion, down by $101 million, or 6.4 percent, primarily because Unemployment Compensation expenses decreased $81 million, or 28 percent. Unemployment Compensation expenses decreased because of a decrease in the unemployment rate from 6.4 percent in September 2014 to 6.1 percent in September 2015 and some claimants exhausted their benefits. The cash balance in the Unemployment Compensation Trust Fund grew by $114 million because of this decrease in expenses for claims. Port Authority expenses were down $2 million, or 1 percent, because of a downturn in steel markets resulting in savings in personnel costs, maintenance expenses, equipment rental, environmental expenses, operating supplies, and utilities. Alcoholic Beverage Control Board expenses were up $9 million, or 3 percent. Alabama College System expenses were down $10 million or 1 percent because scholarships for students and training for business and industry were less. Nonmajor Proprietary Funds expenses were down $17 million, or 20 percent. One nonmajor fund, the Alabama Health Insurance Plan (AHIP), had $8 million less in expenses. AHIP's program has been replaced by provisions of the federal Patient Protection and Affordable Care Act, and therefore substantially ceased operations. Another nonmajor fund, the State Insurance Fund, had $10 million less in claims in fiscal year 2015.

Changes in Net Position
For the Fiscal Year Ended September 30

(Amounts in Thousands)	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014*	2015	2014*	2015	2014*
Revenues:						
Program Revenues:						
Charges for Services	$ 1,386,488	$ 1,391,796	$1,033,803	$1,082,621	$ 2,420,291	$ 2,474,417
Operating Grants and Contributions	8,369,079	8,071,538	255,766	336,172	8,624,845	8,407,710
Capital Grants and Contributions	1,021,107	966,966	9,037	17,863	1,030,144	984,829
General Revenues:						
Taxes	8,512,290	8,150,058	13,996	11,823	8,526,286	8,161,881
Grants and Contributions Not Restricted to Specific Programs	4,159	9,096	-	-	4,159	9,096
Unrestricted Investment Earnings	22,235	208,608	-	-	22,235	208,608
Miscellaneous	1,107,074	1,119,266	5,120	9,500	1,112,194	1,128,766
Total Revenues	20,422,432	19,917,328	1,317,722	1,457,979	21,740,154	21,375,307
Expenses:						
Economic Development and Regulation	148,267	117,497			148,267	117,497
Education and Cultural Resources	6,630,078	6,502,828			6,630,078	6,502,828
Natural Resources and Recreation	219,824	158,043			219,824	158,043
Health	6,820,152	6,543,218			6,820,152	6,543,218
Social Services	2,425,046	2,398,743			2,425,046	2,398,743
Protection of Persons and Property	1,208,686	1,165,601			1,208,686	1,165,601
Transportation	1,475,669	1,454,028			1,475,669	1,454,028
General Government	905,510	895,477			905,510	895,477
Debt Service - Interest and Other Charges	155,102	160,847			155,102	160,847
Unemployment Compensation			210,464	291,417	210,464	291,417
State Port Authority			141,087	142,757	141,087	142,757
Alabama Community College System			747,236	757,293	747,236	757,293
Alcoholic Beverage Control Board			298,212	289,347	298,212	289,347
Nonmajor Proprietary Funds			67,639	84,428	67,639	84,428
Total Expenses	19,988,334	19,396,282	1,464,638	1,565,242	21,452,972	20,961,524
Increase (Decrease) in Net Position Before Contributions and Transfers	434,098	521,046	(146,916)	(107,263)	287,182	413,783
Contributions to Permanent Funds and Endowments	-	-	4	11	4	11
Transfers	(292,199)	(254,652)	292,199	254,652	-	-
Change in Net Position	141,899	266,394	145,287	147,400	287,186	413,794
Net Position- Beginning	19,361,238	19,094,844	1,277,866	1,130,466	20,639,104	20,225,310
Net Position- Ending	$ 19,503,137	$19,361,238	$1,423,153	$1,277,866	$20,926,290	$20,639,104

* The 2014 amounts for expenses presented here have not been restated for the implementation of GASB Statement 68 because it was not practical to restate years prior to 2015.

Governmental Activities

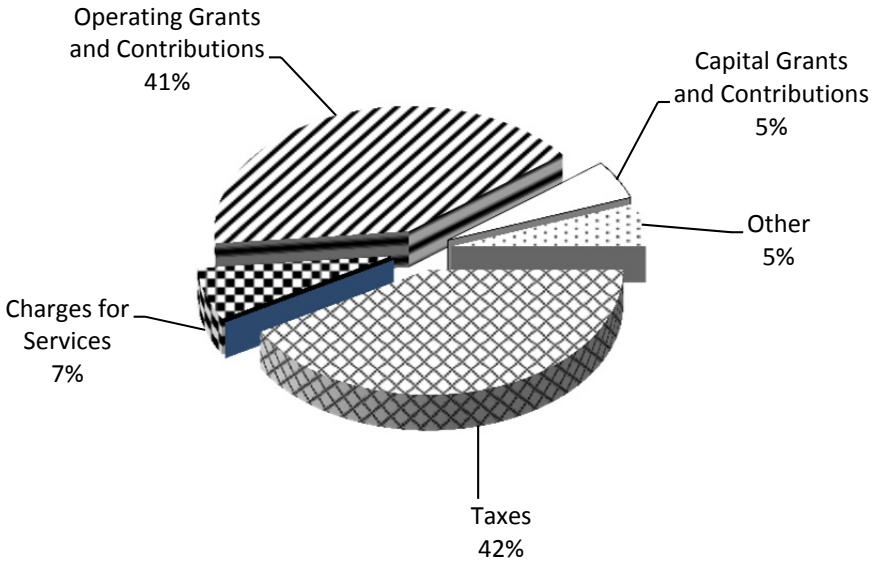
Operating grants and contributions along with taxes together accounted for 83 percent of governmental activities revenue. Taxes are the largest, making up 42 percent of total governmental revenues, while operating grants and contribution make up 41 percent.

Sixty percent of all operating grants and contributions are received for health purposes. In fact, 55 percent of all operating grants and contributions go to Medicaid programs. Operating grants and contributions for social services are 23 percent. Some 20 percent of all operating grants and contributions go to the Department of Human Resources. Operating grants and contributions used by the Department of Education for educational purposes are 11 percent.

Income taxes are 45 percent of the total taxes recorded in governmental activities. Sales and use taxes comprise 29 percent of taxes in governmental activities. Income taxes brought in $3.9 billion and sales and use taxes $2.5 billion. Income taxes increased $232 million, or 6 percent, while sales and use taxes increased $91 million, or 4 percent.

Capital grants and contributions remain at 5 percent of revenues. The Department of Transportation received 93 percent of all capital grants and contributions, primarily for road and bridge related projects. About 90 percent of operating grants and 83 percent of the capital grants were received from the Federal government.

Revenues - Governmental Activities
Fiscal Year Ended September 30, 2015



Expenses for governmental activities are grouped by functional area. The two largest functional areas were Education and Cultural Resources and Health. These two areas together accounted for 67 percent of the governmental activities expenses for the fiscal year. Social Services accounted for 12 percent of the governmental activities expenses.

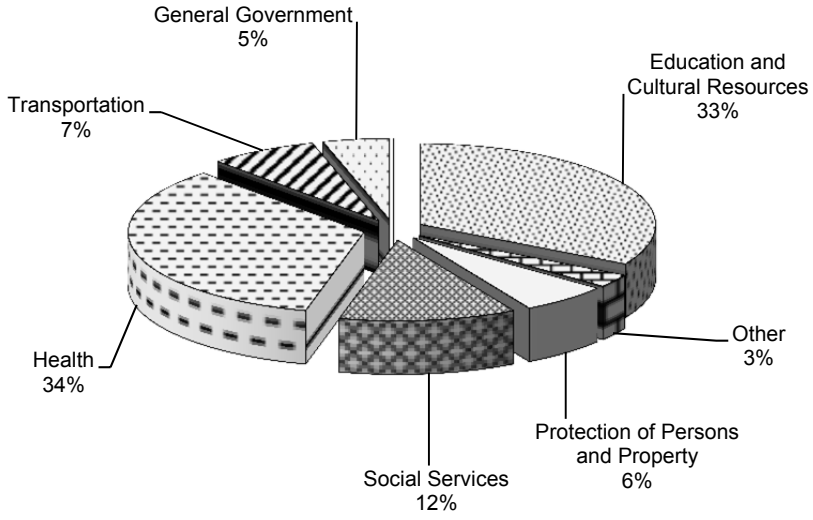
Education and Cultural Resources makes up 33 percent of governmental activity expenses, down from 34 percent the previous year. Health remains at 34 percent, Transportation remains at 7 percent and Social Services remains at 12 percent. Within Education and Cultural Resources, 73 percent of expenditures were for the Local Financial Assistance program for K-12 school systems and 16 percent was for the Support of State Universities program. Local Financial Assistance increased $62 million, or 1 percent, and Support for State Universities increased $10 million, or 1 percent.

Health accounted for 34 percent of governmental activity spending, same as the last year. Medicaid programs account for 78 percent of Health spending, while the Department of Public Health was 9 percent and the Department of Mental Health was 11 percent.

Within Social Services, spending on the Food Assistance program makes up 58 percent of all social services spending while 17 percent is spent on various children's programs. Spending on Food Assistance was up $18 million, or 1 percent.

Protection of Persons and Property continues to comprise 6 percent of total spending. The Department of Corrections makes up 38 percent of Protection of Persons and Property spending, while the Department of Homeland Security comprises 13 percent and the 911 Board 10 percent.

Expenses - Governmental Activities
Fiscal Year Ended September 30, 2015



Financial Analysis of the State's Funds

Governmental Funds

The focus of the State's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the State's financing requirements. In particular, unassigned General Fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the governmental funds reported combined ending fund balances of $6.2 billion. Nonspendable fund balance was $116 million and assigned fund balance was $50 million. Spending restricted for specific purposes comprised $6.1 billion. Those restrictions have been imposed by external parties, constitutional provisions, or enabling legislation. The largest restricted amount of $2.6 billion is for Alabama Trust Capital. The Alabama Trust Fund originally was a permanent fund, but is now a special revenue fund because of Amendment 666 and Amendment 856 to the *Constitution of Alabama of 1901* which allow limited spending of principal. An additional $3.5 billion of governmental fund balance has been restricted for a wide variety of purposes which includes $815 million restricted for various capital projects and debt service.

The General Fund is the primary operating fund of the State. At the end of the current fiscal year, unassigned fund balance of the General Fund was $109 million, $4 million nonspendable fund balance, and $1 million assigned fund balance. Revenues for the General Fund were up $45 million, or 3 percent, as taxes increased $43 million. The largest increase in tax revenues to the General Fund was $32 million in privilege tax and $10 million in financial institution excise tax.

Expenditures for the General Fund increased $41 million, or 3 percent. Health expenditures increased $79 million, or 12 percent. 96 percent of the General Fund health expenditures were in the Medicaid Agency. Pharmaceutical program increased $13 million while Nursing Home Care rose $60 million. Spending on General Government in the General Fund decreased $7 million. Judicial Operations increased $4 million while Legislative Operations decreased $3 million. Protection of Persons and Property expenditures decreased $36 million. The largest spending for Protection of Persons and Property in the General Fund was $398 million for the Department of Corrections, an increase of $28 million from the previous year. Due to Other Funds balance of $171 million includes $162 million for a loan owed to the Alabama Trust Fund. The money was borrowed in fiscal year 2010 to alleviate revenue shortages in accordance with Amendment 803 to the *Constitution of Alabama of 1901*.

The Education Trust Fund (ETF) is the largest operating fund of the State. Revenues credited to the ETF are used for the support, maintenance and development of public education in Alabama, debt service and capital improvements relating to educational facilities, and other functions related to educating the state's citizens. Programs and agencies supported by the ETF include K-12 education, public library services, performing and fine arts, various scholarship programs, the state's education regulatory departments, and two-year and four-year colleges and universities. Funding from the ETF is also provided to non-state agencies that provide educational services to the people of Alabama, including the arts, disease counseling and education, and youth development. Ten tax sources are allocated to the ETF, the largest of which are the individual and corporate income tax, sales tax, utility tax, and use tax. Tax revenues in the ETF for the fiscal year were up $326 million, or 6 percent as compared to the previous fiscal year. Sales and use tax revenues increased by $95 million and income tax revenues were up by $233 million while mobile telecommunications tax decreased $4 million. Expenditures, as limited by the budget, were up 3 percent, or $145 million. A large portion of the increase, $84 million, was in the Local Financial Assistance program. The ETF transferred out $477 million, with the largest of these transfers going to supplement operations of the Alabama Community College System, a major Proprietary fund. The Alabama Community College System received $325 million in transfers as mandated by the legislature in the appropriations acts. Due to Other Funds in the ETF is a mere $8 million, down from $101 million as the $93 million owed last year to the Education Rainy Day Account in the Alabama Trust Fund was extinguished. The ETF fund balance increased $284 million to a balance of $466 million, as cash and cash equivalents increased $163 million. The fund balance, while legally restricted to a variety of educational purposes, is all available for those purposes in the next fiscal year.

The Alabama Trust Fund consists of income from the sale or lease of rights for offshore exploration and drilling for oil and gas off the Alabama coast, as well as investment income earned on the accumulated capital. Revenues from royalties and other payments related to the production of oil and gas decreased by $36 million during the fiscal year. Investment earnings declined from $198 million to $11 million during the fiscal year. Various amendments to the *Constitution of Alabama of 1901* require that Alabama Trust income be used to support the General Fund, Forever Wild Land Trust, and a variety of state and local capital projects and debt service. In compliance with constitutional requirements, $323 million was transferred out to support these other funds. $247 million was transferred to the General Fund. During the fiscal year, the amount constitutionally restricted for Trust Capital decreased by $257 million, a decrease of more than 9 percent. The $162 million in Due From Other Funds is a loan owed by the General Fund. The money was borrowed in fiscal year 2010 in accordance with Amendment 803 to the *Constitution of Alabama of 1901*.

The Medicaid Fund accounts for the portion of the Medicaid program that is funded 88 percent by Federal revenues. Federal revenues increased 6 percent, or $252 million. Expenditures increased 5 percent or $207 million. Pharmaceutical Care program expenditures increased $47 million, Hospital Care increased $31 million, Alternative Care $37 million, and the Children's Health

Insurance Plan (CHIP) increased $58 million. The net change in fund balance for Medicaid was a $7 million decrease, bringing the total fund balance to a deficit of $85 million.

The Public Road and Bridge Fund is the general operating fund of the Department of Transportation (DOT). The Fund receives all state revenues for that department, including all federal aid reimbursements. Amendment No. 93 (as amended by Amendment No. 354) to the *Constitution of Alabama of 1901* provides that monies derived from any fee, excise or license taxes levied by the State on motor fuels shall be expended for the cost of construction, reconstruction, maintenance and repair of public highways and bridges; the cost of highway rights-of-way; the payment of highway obligations; the cost of traffic regulations; and the expense of enforcing state traffic and motor vehicle laws. Revenues from federal grants were 58 percent of fund revenues while gasoline and motor fuel taxes were 24 percent. Federal revenues decreased $55 million, or 6 percent. Expenditures increased $68 million or 5 percent. The cash balance increased from $385 million to $475 million. Of the $497 million fund balance, $24 million is in inventory of materials on hand and $473 million is restricted to cover existing construction and maintenance contracts.

The Public Welfare Trust Fund is used to account for a broad range of social, protective, and financial assistance programs for citizens. This is the major operating fund of the Department of Human Resources. Revenues from federal funds comprise 89 percent, and is supplemented by whiskey tax and a portion of the Alabama Alcoholic Beverage Control Board profits, sales tax, franchise tax, and beer tax. Overall spending increased $22 million, or 1 percent. The Food Assistance program accounts for 73 percent of total expenditures. The fund balance at year end is $73 million, an increase of $7 million. The small fund balance is normal for this fund, since the Federal Cash Management Improvement Act does not allow the State to draw money and hold it for more than a few days. The fund balance, while legally restricted to a variety of social service programs, is all available for those programs in the next fiscal year.

The Medicaid Fund had negative fund balances at September 30. This is not typical for the State's major governmental funds because the fiscally conservative nature of the State's controls generally results in positive fund balances. Constitutional Amendment 26 requires the State to have on hand at year end in each budgeted fund enough cash to cover all outstanding warrants and any remaining unspent obligations (encumbrances and accounts payable). Medicaid often has a negative fund balance because GAAP requires the accrual of claims payable and the related federal receivable, but not the State matching amounts which will be recorded as revenues when received in the next fiscal year. The Public Road and Bridge Fund retains enough cash to cover its outstanding construction contracts and commitments, so that fund historically has a large fund balance.

Proprietary Funds

The State's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. During the fiscal year, total net position for all enterprise funds increased by $145 million.

The Unemployment Compensation Trust Fund has again improved its financial condition. The net position increased in 2015 by $107 million, and in 2014 net position increased by $90 million. Year over year minimum and maximum employer rates remained steady at 0.00095 and 0.0071, respectively for the employer shared cost. However, revenues decreased in 2015 as compared to 2014 due to a decrease in Federal Unemployment Compensation (UC) Drawdown programs, as well as a decrease in the amount of UC taxes received. 2015 UC Drawdowns were $3 million, compared to the 2014 UC Drawdowns of $33 million, and there was a $37 million decrease in the amount of UC taxes received in 2015 compared to 2014. Benefits paid dropped $81 million, a decrease of 28 percent. The trust fund cash grew from $342 million to $457 million, and net position now stands at $428 million.

The net position of the State Port Authority is $330 million, an increase of $8 million. Operating revenues were $145 million, a decrease of $17 million, or 10 percent under the prior year, resulting from a number of factors. McDuffie Coal Terminal and the Bulk Handling and Warehouse division experienced decreased revenues of $7.7 million, or 10 percent, and $6.0 million, or 75 percent respectively, resulting from the weakness in the global steel market impacting the demand for metallurgical coal. General Cargo/Intermodal revenues decreased by $2.1 million, or 6 percent, driven by decreased steel and iron product movements. The Terminal Railway recorded decreased revenues of $1.6 million, or 7 percent, due to the weak global steel segment, along with lower volumes of grain moving through the grain elevator. All other areas remained near fiscal 2014 levels.

The Alabama Community College System's net position increased $15 million in 2015, primarily because of transfers from the Education Trust Fund (ETF). Tuition increases of $2 per credit hour combined with an increase in enrollment of 2.2 percent are consistent with recent year over year changes in operating revenues. Charges for goods and services increased primarily because of the 2.2 percent increase in enrollment. The College System has $25 million more in capital assets at year-end resulting from building additions and construction in progress. The College System has an operating loss of $564 million. However, federal grants of $252 million and transfers from the ETF and other governmental funds of $332 million lessened the impact of the operating loss. Transfers from other funds including the ETF legislature appropriated transfers were $34 million more than the prior year.

The net position of the Alcoholic Beverage Control Board increased by $1 million in fiscal year 2015, decreasing the deficit in net position to $72 million. The Board is required by law to distribute all of its profits and cannot own real property; therefore, net

position generally will remain negative. Non-current liabilities, such as compensated absences of $5 million, other post-employment benefits of $28 million, net pension liability of $42 million, and some of the current liabilities are not deducted from the distribution amount. The deficit decrease of $1 million in 2015 is due to the net effect of an increase in operating revenues over 2014 of $9 million combined with a lower increase in operating expenses of $8 million.

Budgetary Highlights

General Fund

The original budget for the General Fund was increased by a net of $12 million during fiscal year 2015. Expenditures were increased by $5 million and Transfers Out increased by $7 million, and these budgetary changes are reflected in the final budget on the Budgetary Comparison Schedule. The General Fund was not prorated during fiscal year 2015. Budgeted revenues were increased by $9 million; however, actual tax revenues were $54 million less than the final budget because of the weak economy.

There were significant budgetary variances between the final budget and actual results. Unexpended and reverted appropriations from fiscal year 2015 were re-appropriated to fiscal year 2016; therefore, many agencies did not spend all of their appropriations during fiscal year 2015. The Medicaid Agency has $24 million to carryover to fiscal year 2016. The Department of Corrections, the Department of Finance, and the Legislature have carryovers of approximately $2 million, $5 million, and $7 million, respectively. These appropriations will be needed in the future because revenues are not improving much because the economy is sluggish.

There were no supplemental appropriations. Conditional and other appropriations were approximately $13 million to various agencies. The Office of the Attorney General received a conditional appropriation of $3 million for legal operations and services. The Emergency Management Agency received a conditional appropriation of $1 million for matching federal funds. $6 million of conditional appropriations were transferred to the Fair Trial Tax Fund for indigent defense. Conditional amounts are not included in the budget until the conditions have been met. Some expenditures are required by law to be fully funded, and estimated amounts are approved in the General Fund appropriation bill. Increases to these estimated amounts do not require a new bill and are included as other appropriations. Emergency appropriations of $3 million are included in the original budget and are included in the budgeted amounts as Other on the Budgetary Comparison Schedule. Emergency appropriations cannot exceed two percent of the total amount appropriated. On a budgetary basis, General Fund revenues and other sources exceeded expenditures and other uses by $16 million. However, on a GAAP (Generally Accepted Accounting Principles) basis, General Fund expenditures and other uses exceeded revenues and other sources by $12 million. The Budgetary Comparison Schedule in Required Supplementary Information reconciles these amounts and lists the accounting basis differences.

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2015 the State had invested $22.6 billion, net of accumulated depreciation, in a broad range of capital assets (see the table below). Depreciation charges for the fiscal year totaled $169.1 million.

Capital Assets as of September 30

(Amounts in Thousands)	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Capital Assets Not Being Depreciated:						
Land	$ 344,550	$ 320,962	$ 112,260	$ 109,808	$ 456,810	$ 430,770
Historical Exhibits	4,158	4,119	2,350	2,350	6,508	6,469
Construction In Progress	156,920	197,938	108,318	84,027	265,238	281,965
Intangible Assets Under Development	38,950	23,537	-	-	38,950	23,537
Construction In Progress - Infrastructure	4,222,656	4,675,518	-	-	4,222,656	4,675,518
Infrastructure	14,924,297	14,188,815	-	-	14,924,297	14,188,815
Inexhausible Intangible Assets	-	-	10	10	10	10
Total Capital Assets Not Being Depreciated	**19,691,531**	**19,410,889**	**222,938**	**196,195**	**19,914,469**	**19,607,084**
Capital Assets Being Depreciated:						
Buildings	1,696,427	1,641,723	1,805,263	1,766,132	3,501,690	3,407,855
Equipment	648,319	643,160	615,602	610,922	1,263,921	1,254,082
Software and Other Intangible Assets	39,671	26,201	19,458	19,346	59,129	45,547
Total Capital Assets Being Depreciated	2,384,417	2,311,084	2,440,323	2,396,400	4,824,740	4,707,484
Less Accumulated Depreciation	1,048,189	1,019,424	1,078,356	1,025,310	2,126,545	2,044,734
Total Capital Assets Being Depreciated, Net	**1,336,228**	**1,291,660**	**1,361,967**	**1,371,090**	**2,698,195**	**2,662,750**
Capital Assets, Net	**$ 21,027,759**	**$ 20,702,549**	**$ 1,584,905**	**$ 1,567,285**	**$ 22,612,664**	**$ 22,269,834**

As allowed by GASB Statement No. 34, the State has adopted the modified approach for reporting roadway and bridge infrastructure assets. Under the modified approach, depreciation is not recorded. Infrastructure costs that result in an increase in the capacity or an improvement in the efficiency of the infrastructure network are capitalized and added to the historical cost of the assets. Costs that allow the infrastructure network to be used efficiently over the expected useful life of the assets are expensed as general maintenance costs. Certain maintenance costs that extend the useful life of the assets but do not increase capacity or efficiency are classified as preservation costs. Preservation costs are expensed and reported in lieu of a charge for depreciation expense.

Extensive project documentation is required to meet various federal and state guidelines concerning the construction of infrastructure. The completeness of this documentation affects the timing of project capitalization. The State capitalizes infrastructure when all costs for a project are incurred and all project documentation is satisfactorily completed, filed, and accepted with the appropriate entities. Projects that meet the cost and documentation criteria are closed, and appropriate entries are made to adjust the Infrastructure Construction in Progress and Infrastructure asset accounts annually. Due to the documentation requirements, there can be substantial time lags between the date a project is put into service on the State's roadway network and the date the project is capitalized. A significant portion of Infrastructure Construction in Progress consists of projects that have been put into service and maintenance costs could have been incurred.

The State uses the International Roughness Index (IRI) to measure and monitor pavement conditions. The IRI is a standard representing the perceived smoothness of pavements while traveling in passenger cars. A lower IRI measurement represents a smoother condition of pavement. The United States Department of Transportation developed suggested values for IRI of <60 inches/mile to >220 inches/mile to grade the smoothness condition of the roadway. A range of 60 to 94 is considered "Good" condition, with negligible maintenance required, and a range of 95-119 for Interstate Highways or 95-170 for non-interstate highways is considered "Fair", requiring routine maintenance such as pavement patching. The weighted average rating of Alabama's roads was 78.27, which exceeds the State's goal.

The State maintains 5,390 bridges and culverts. The State rates the major structural components and deck area of the bridge or culvert on a scale of one to ten and assigns a weighted rating to the bridge or culvert. The State expects those bridges and culverts to be maintained at a rating within the range of 5 - 6.99, which is considered "satisfactory," meaning the structural elements are sound but

have minor deterioration. The actual weighted average rating for the most recent condition assessment was 6.56, in the upper end of the satisfactory range.

For fiscal years 2015 and 2014 the State estimated it would need to spend $309.2 and $333.1, respectively, to preserve and maintain all roadway assets and $10 million in each year to preserve all bridge assets at or above the "Established Condition Levels" presented above. In fiscal year 2015, the State spent $424,506,000 for roadway preservation and $166,600,000 for bridge preservation. The State spent $468,464,000 for roadway preservation and $80,579,000 for bridge preservation in fiscal year 2014. In the next fiscal year, the Alabama Department of Transportation estimates that it will need to spend approximately $323,629,000 to preserve all roadway assets and approximately $10,000,000 to preserve all bridge assets at or above the "Established Condition Levels" presented above.

More detailed information about the State's capital assets is presented in Note 3 to the financial statements and in the Required Supplementary Information section.

Long-term Debt

The only method under which general obligation debt can be incurred by the State is by amendment to the *Constitution of Alabama of 1901*. The debt prohibition does not apply to debts incurred by separate public corporations functioning as State instrumentalities. The revenue bonds issued by these corporations are limited obligations of the corporation, not general obligations of the State, and the full faith and credit of the State is not pledged for their repayment. Certain revenues, usually earmarked taxes or revenues generated from the project financed are pledged for the payment of the debt. These corporations are blended with the primary government. The State and its component units issue serial and term bonds. Alabama has traditionally received high bond ratings from both Standard and Poor's Corporation and Moody's Investors Service.

Outstanding Bonded Debt as of September 30

(Amounts in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	$ 631,497	$ 680,476	$ -	$ -	$ 631,497	$ 680,476
Revenue Bonds	3,942,889	3,517,971	634,547	633,492	4,577,436	4,151,463
Total	$ 4,574,386	$ 4,198,447	$ 634,547	$ 633,492	$ 5,208,933	$ 4,831,939

The State issued $579,950,000 in new revenue bonds, which includes $46,775,000 of Alabama Public School and College Authority bonds and $533,175,000 of Alabama Federal Aid Highway Finance Authority bonds. The Alabama Public Health Care Authority issued $55,855,000 in new and refunding bonds (a portion of the Series 2015 bonds were used for refunding purposes). The Alabama Public School and College Authority also issued $81,245,000 of Alabama Public School and College Authority refunding bonds. Additional detailed information regarding the State's long-term debt is presented in Note 4 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The 2016 General Fund budget had to be cut because in fiscal year 2015 the General Fund received the last of the three additional transfers of $146 million from the Alabama Trust Fund pursuant to Amendment 856 to the *Constitution of Alabama of 1901*. New revenues of approximately $70 million helped to offset some of the loss. Cuts to some State agencies ranged from 5 percent to 8 percent. The Medicaid Agency, Department of Human Resources, Department of Mental Health and Mental Retardation, and the Administrative Office of Courts were level funded. $16 million was added to the budget for prison reform and split between the Department of Corrections, Pardons and Paroles and the Law Enforcement Agency.

The total ETF budget for fiscal year 2016 is $6.1 billion. The Rolling Reserve Act (Act 2011-3) cap on the fiscal year 2017 appropriations is $6.4 billion. The ETF Budget Stabilization Fund and the ETF Advancement and Technology Fund will receive revenues in excess of the cap because the ETF Rainy Day Account has been paid back in full. The sales tax distribution of $34 million from the gross sales tax account to the Prepaid Affordable College Tuition Program decreases the sales tax distribution to the ETF. The K-12 Local Boards of Education received an appropriation increase of $25 million for fiscal year 2016 over fiscal year 2015 from the Education Trust Fund. The four-year Universities received an increase of $17 million.

Total tax collections are up approximately 1 percent for fiscal year 2016 as compared to fiscal year 2015. The State's seasonally adjusted unemployment rate, at 5.7 percent in October 2016, was up from September 2016's rate of 5.4 percent, and below October 2015's rate of 6.1 percent. The number of employed workers increased from October 2015 to October 2016 from 2,024,000 to 2,080,000.

Requests for Information

This financial report is designed to provide a general overview of the State of Alabama's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Office of the State Comptroller, Financial Reporting Section, RSA Union, Suite 206, Montgomery, AL 36130-2602.

ALABAMA
TENNESSEE
TENNESSEE RIVER
RIVER
RIVER
BLACK WARRIOR
COOSA
TALLAPOOSA
CAHABA R.
RIVER
MISSISSIPPI
GEORGIA
TOMBIGBEE
RIVER
ALABAMA
CONECUH R.
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

STATEMENT OF NET POSITION

September 30, 2015

(Amounts in Thousands)

	Governmental Activities	Business-type Activities	Total Primary Government	Component Units
ASSETS				
Cash and Cash Equivalents	$ 3,208,375	$ 900,351	$ 4,108,726	$ 1,028,316
Investments	3,419,283	239,028	3,658,311	7,074,770
Internal Balances	31,678	(31,678)	-	-
Due From Primary Government	-	-	-	6,317
Due From Component Units	51,448	10	51,458	-
Investment Sales Receivable	34,785	-	34,785	-
Accounts Receivable	137,747	84,183	221,930	762,479
Taxes Receivable	949,701	-	949,701	-
Due From Other Governments	1,082,330	2,181	1,084,511	574,165
Mortgages, Notes, and Loans Receivable	58	-	58	862,888
Securities Lending Collateral	233,351	158	233,509	1,502
Inventory	34,817	45,835	80,652	39,159
Restricted Assets	3,892	-	3,892	33,349
Other Assets	226	28,252	28,478	270,267
Capital Assets, Net of Accumulated Depreciation	1,336,228	1,361,967	2,698,195	6,556,960
Capital Assets Not Depreciated	19,691,531	222,938	19,914,469	752,429
TOTAL ASSETS	**30,215,450**	**2,853,225**	**33,068,675**	**17,962,601**
DEFERRED OUTFLOWS OF RESOURCES	**325,268**	**48,794**	**374,062**	**362,348**
LIABILITIES				
Warrants Payable	47,635	737	48,372	105
Investment Purchases Payable	70,530	-	70,530	411
Due To Primary Government	-	-	-	51,458
Due To Component Units	6,317	-	6,317	-
Accounts Payable	1,051,821	119,606	1,171,427	611,897
Due To Other Governments	185,522	2,524	188,046	128,155
Securities Lending Obligation	233,351	158	233,509	1,502
Unearned Revenue	5,165	70,210	75,375	858,586
Amounts Held in Custody for Others	117,243	7,386	124,629	488,769
Noncurrent Liabilities:				
Due Within One Year	323,289	40,023	363,312	406,786
Due In More Than One Year	8,822,842	1,189,517	10,012,359	7,529,884
TOTAL LIABILITIES	**10,863,715**	**1,430,161**	**12,293,876**	**10,077,553**
DEFERRED INFLOWS OF RESOURCES	**173,866**	**48,705**	**222,571**	**283,545**
NET POSITION				
Net Investment in Capital Assets	20,274,848	980,145	21,254,993	3,585,716
Restricted for:				
Permanent - Expendable	-	7,113	7,113	937,010
Permanent - Non-expendable	85,542	6,570	92,112	1,538,509
Unemployment Compensation	-	427,802	427,802	-
Alabama Trust Capital	2,599,596	-	2,599,596	-
Economic Development and Regulation	176,423	-	176,423	-
Education	1,403,437	2,461	1,405,898	3,084
Natural Resources and Recreation	103,137	-	103,137	-
Health	278,728	1,003	279,731	-
Social Services	277,140	-	277,140	-
Protection of Persons and Property	219,268	-	219,268	-
Transportation	501,312	-	501,312	-
General Government	627,239	-	627,239	-
Debt Service	138,428	79,341	217,769	630,175
Capital Projects	677,772	798	678,570	9,796
Other Purposes	-	-	-	188,046
Unrestricted	(7,859,733)	(82,080)	(7,941,813)	1,071,515
TOTAL NET POSITION	**$ 19,503,137**	**$ 1,423,153**	**$ 20,926,290**	**$ 7,963,851**

The Notes to the Financial Statements are an integral part of this statement.

ALABAMA
TENNESSEE
TENNESSEE RIVER
RIVER
RIVER
BLACK WARRIOR
COOSA
RIVER
ALLAPOOSA
CHATABA R.
RIVER
MISSISSIPPI
RIVER
ALABAMA
GEORGIA
TOMBIGBEE
CONECUH R.
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2015

(Amounts in Thousands)

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES: Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Economic Development and Regulation	$ 148,267	$ 137,912	$ 27,493	$ 12,371
Education and Cultural Resources	6,630,078	49,952	898,365	9,883
Natural Resources and Recreation	219,824	71,728	136,450	1,614
Health	6,820,152	405,979	5,025,727	296
Social Services	2,425,046	67,290	1,916,502	15,335
Protection of Persons and Property	1,208,686	287,174	143,335	40,611
Transportation	1,475,669	185,774	40,309	930,187
General Government	905,510	180,679	180,898	10,810
Debt Service - Interest and Other Charges	155,102	-	-	-
Total Governmental Activities	19,988,334	1,386,488	8,369,079	1,021,107
Business-type Activities				
Unemployment Compensation	210,464	325,561	2,662	-
State Port Authority	141,087	144,391	103	4,196
Alabama Community College System	747,236	169,718	251,713	4,841
Alcoholic Beverage Control Board	298,212	304,658	270	-
Nonmajor Proprietary Funds	67,639	89,475	1,018	-
Total Business-type Activities	1,464,638	1,033,803	255,766	9,037
Total Primary Government	**21,452,972**	**2,420,291**	**8,624,845**	**1,030,144**
Component Units:				
University of Alabama	4,252,343	3,233,413	740,885	12,924
Auburn University	1,007,979	614,816	326,862	4,829
University of South Alabama	717,427	487,534	86,306	2,784
Housing Finance Authority	57,767	22,914	17,605	-
State Employees' Health Insurance Board	331,705	325,400	14	-
Public Education Employees' Health Insurance	881,194	880,915	1,058	-
Nonmajor Component Units	1,112,621	543,430	265,533	5,526
Total Component Units	**8,361,036**	**6,108,422**	**1,438,263**	**26,063**
General Revenues:				
Taxes:				
Sales and Use Taxes				
Income Taxes				
Motor Fuels Taxes				
Utility Taxes				
Insurance Premium Tax				
Property Tax				
Liquor Taxes				
Tobacco and Cigarette Taxes				
Payments from State of Alabama				
Grants and Contributions Not Restricted to Specific Programs				
Unrestricted Investment Earnings				
Miscellaneous				
Contributions to Permanent Funds and Endowments				
Special Items				
Transfers				
Total General Revenues, Contributions and Transfers				
Change in Net Position				
Net Position, October 1, 2014, as Restated				
Net Position, September 30, 2015				

The Notes to the Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total Primary Government	Component Units
$ 29,509	$ 0	$ 29,509	$ 0
(5,671,878)	-	(5,671,878)	-
(10,032)	-	(10,032)	-
(1,388,150)	-	(1,388,150)	-
(425,919)	-	(425,919)	-
(737,566)	-	(737,566)	-
(319,399)	-	(319,399)	-
(533,123)	-	(533,123)	-
(155,102)	-	(155,102)	-
(9,211,660)	0	(9,211,660)	0
-	117,759	117,759	-
-	7,603	7,603	-
-	(320,964)	(320,964)	-
-	6,716	6,716	-
-	22,854	22,854	-
0	(166,032)	(166,032)	0
(9,211,660)	**(166,032)**	**(9,377,692)**	**0**
-	-	-	(265,121)
-	-	-	(61,472)
-	-	-	(140,803)
-	-	-	(17,248)
-	-	-	(6,291)
-	-	-	779
-	-	-	(298,132)
0	**0**	**0**	**(788,288)**
2,489,460	-	2,489,460	-
3,859,889	-	3,859,889	-
559,890	-	559,890	-
631,305	-	631,305	-
313,316	-	313,316	-
349,450	-	349,450	-
179,278	13,996	193,274	-
129,702	-	129,702	-
-	-	-	1,020,729
4,159	-	4,159	162
22,235	-	22,235	8,905
1,107,074	5,120	1,112,194	59,479
-	4	4	39,411
-	-	-	(94,601)
(292,199)	292,199	-	-
9,353,559	**311,319**	**9,664,878**	**1,034,085**
141,899	**145,287**	**287,186**	**245,797**
19,361,238	1,277,866	20,639,104	7,718,054
$ 19,503,137	**$ 1,423,153**	**$ 20,926,290**	**$ 7,963,851**

STATE OF ALABAMA

BALANCE SHEET
Governmental Funds

September 30, 2015
(Amounts in Thousands)

	General Fund	Education Trust Fund	Alabama Trust	Medicaid Fund	Public Road and Bridge Fund
ASSETS					
Cash and Cash Equivalents	$ 196,695	$ 232,151	$ 31,774	$ 33,870	$ 475,049
Investments	-	-	2,452,028	-	58,081
Due From Other Funds	17,742	642	161,566	23,061	620
Due From Component Units	-	-	-	-	-
Investment Sales Receivable	-	-	33,022	-	-
Accounts Receivable	3,408	18	14,763	3,450	4,308
Taxes Receivable	243,694	294,858	-	-	27,978
Due From Other Governments	-	66	-	275,369	124,401
Mortgages, Notes, and Loans Receivable	-	-	-	-	-
Securities Lending Collateral	766	900	222,527	171	1,842
Inventory	4,142	-	-	-	24,079
Restricted Assets	-	-	-	-	-
Other Assets	-	-	-	-	-
TOTAL ASSETS	**$ 466,447**	**$ 528,635**	**$ 2,915,680**	**$ 335,921**	**$ 716,358**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 865	$ 4,971	$ 0	$ 303	$ 6,242
Investment Purchases Payable	-	-	63,954	-	3,000
Due To Other Funds	170,937	8,482	-	73,165	1,730
Due To Component Units	125	46	-	-	34
Accounts Payable	57,332	46,100	225	336,042	195,012
Due To Other Governments	5,435	2,083	-	11,052	3,171
Securities Lending Obligation	766	900	222,527	171	1,842
Unearned Revenue	6	-	-	-	-
Amounts Held in Custody for Others	337	3	-	-	7,384
Compensated Absences	816	123	-	26	239
Notes and Mortgages Payable	-	-	-	-	-
Capital Lease Obligations	-	3	-	-	428
Total Liabilities	**236,619**	**62,711**	**286,706**	**420,759**	**219,082**
Deferred Inflows Of Resources	**115,933**	**0**	**2,181**	**0**	**0**
Fund Balances					
Nonspendable:					
Inventory	4,142	-	-	-	24,079
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Economic Development and Regulation	-	-	-	-	-
Education and Cultural Resources	-	465,924	-	-	-
Natural Resources and Recreation	-	-	29,378	-	-
Health	-	-	-	-	-
Social Services	-	-	-	-	-
Protection of Persons and Property	-	-	-	-	-
Transportation	-	-	-	-	473,197
General Government	-	-	-	-	-
Capital Projects	-	-	-	-	-
Debt Service	-	-	-	-	-
Alabama Trust Capital	-	-	2,597,415	-	-
Assigned for:					
Economic Development and Regulation	7	-	-	-	-
Education and Cultural Resources	148	-	-	-	-
Natural Resources and Recreation	1	-	-	-	-
Social Services	19	-	-	-	-
Protection of Persons and Property	452	-	-	-	-
General Government	294	-	-	-	-
Unassigned	108,832	-	-	(84,838)	-
Total Fund Balances	**113,895**	**465,924**	**2,626,793**	**(84,838)**	**497,276**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 466,447**	**$ 528,635**	**$ 2,915,680**	**$ 335,921**	**$ 716,358**

The Notes to the Financial Statements are an integral part of this statement.

Public Welfare Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 120,990	$ 1,984,657	$ 3,075,186
-	874,415	3,384,524
15,500	107,823	326,954
-	51,344	51,344
-	1,763	34,785
17	108,624	134,588
51,937	331,234	949,701
2,010	124,229	526,075
-	58	58
434	6,354	232,994
-	2,188	30,409
-	3,892	3,892
-	176	176
$ 190,888	**$ 3,596,757**	**$ 8,750,686**
$ 679	$ 33,545	$ 46,605
-	3,576	70,530
8,616	57,531	320,461
-	889	1,094
63,593	300,454	998,758
2,113	161,627	185,481
434	6,354	232,994
-	5,159	5,165
3,919	105,599	117,242
385	1,404	2,993
-	1,154	1,154
-	54	485
79,739	**677,346**	**1,982,962**
37,959	**362,723**	**518,796**
-	2,188	30,409
-	85,543	85,543
-	85,270	85,270
-	260,178	726,102
-	73,759	103,137
-	178,607	178,607
73,190	166,005	239,195
-	219,269	219,269
-	28,115	501,312
-	626,740	626,740
-	675,817	675,817
-	138,748	138,748
-	-	2,597,415
-	1,806	1,813
-	782	930
-	130	131
-	518	537
-	36,458	36,910
-	9,341	9,635
-	(32,586)	(8,592)
73,190	**2,556,688**	**6,248,928**
$ 190,888	**$ 3,596,757**	**$ 8,750,686**

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

September 30, 2015

(Amounts in Thousands)

Total Fund Balances for Governmental Funds		**$6,248,928**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Land	344,006	
Historical Exhibits	4,157	
Construction in progress	126,112	
Construction in progress - Infrastructure	4,222,657	
Infrastructure	14,924,297	
Buildings	1,547,272	
Equipment	605,628	
Intangibles	39,672	
Intangible Assets Under Development	38,950	
Accumulated Depreciation - Buildings	(573,489)	
Accumulated Depreciation - Equipment	(331,579)	
Amortization - Intangibles	(8,403)	
		20,939,280
Some of the State's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.		518,796
Internal service funds are used by management to charge the costs of certain activities, such as insurance and information technology, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Net Position.		110,563
Long-term loans reported in due from other governments are not collectible in the current period and, therefore, are not reported in the funds.		556,255
Deferred Outflows of Resources and Deferred Inflows of Resources associated with pension related costs and refunding of debt are long-term in nature and, therefore are not reported in the governmental funds.		
Deferred Outflows - pension related	216,114	
Deferred Inflows - pension related	(170,479)	
Deferred Outflows - losses on refunding of debt	105,319	
Deferred Inflows - gains on refunding of debt	(781)	
		150,173
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Capital Leases, Notes, and Mortgages	(175,374)	
Compensated Absences	(271,243)	
Claims, Judgments, and Other	(18,792)	
Due to Component Units	(5,201)	
Net Pension Liability	(2,921,696)	
Other Post-Employment Benefits	(1,061,365)	
		(4,453,671)
Long-term bonded debt is not due and payable in the current period and, therefore, is not reported in the funds. Unamortized discounts, unamortized premiums, and interest payable are not reported in the funds. However, these amounts are included in the Statement of Net Position. This is the total effect of these balances on the statement.		
General Obligation Bonds Payable	(571,645)	
Revenue Bonds Payable	(3,559,217)	
Unamortized Premiums	(399,237)	
Unamortized Discounts	135	
Accrued Interest Payable	(37,223)	
		(4,567,187)
Net Position of Governmental Activities		**$19,503,137**

The Notes to the Financial Statements are an integral part of this statement.

ALABAMA
TENNESSEE
TENNESSEE RIVER
RIVER
RIVER
BLACK WARRIOR
COOSA
RIVER
ALLAPOOSA
MISSISSIPPI
GEORGIA
CHATABA R.
RIVER
RIVER
ALABAMA
TOMBIGBEE
CONECUH R.
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	General Fund	Education Trust Fund	Alabama Trust	Medicaid Fund	Public Road and Bridge Fund
REVENUES					
Taxes	$ 1,274,896	$ 6,183,655	$ 0	$ 0	$ 357,778
Licenses, Permits, and Fees	155,390	183	-	42	143,713
Fines, Forfeits, and Court Settlements	15,518	-	-	1,550	-
Investment Income	10,610	-	11,076	10	1,173
Federal Grants and Reimbursements	1,697	283	-	4,168,213	853,068
Other Revenues	2,465	888	53,873	573,519	123,156
Total Revenues	**1,460,576**	**6,185,009**	**64,949**	**4,743,334**	**1,478,888**
EXPENDITURES					
Current:					
Economic Development and Regulation	6,036	649	-	-	-
Education and Cultural Resources	5,335	5,315,622	-	-	-
Natural Resources and Recreation	7,353	1,088	680	-	-
Health	730,217	13,809	-	4,256,269	-
Social Services	13,606	27,765	-	-	-
Protection of Persons and Property	497,187	43,274	-	-	-
Transportation	-	-	-	-	1,517,503
General Government	200,375	20,974	9,404	-	-
Capital Outlay	-	-	-	-	-
Debt Service - Principal Retirement	-	21	-	-	2,543
Debt Service - Interest and Other Charges	-	32	-	-	74
Total Expenditures	**1,460,109**	**5,423,234**	**10,084**	**4,256,269**	**1,520,120**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**467**	**761,775**	**54,865**	**487,065**	**(41,232)**
OTHER FINANCING SOURCES (USES)					
Transfers In	357,009	48	10,674	285,847	229,943
Bonds Issued	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-
Capital Leases	-	-	-	-	-
Debt Issuance Premiums	-	-	-	-	-
Insurance Recovery Proceeds	23	-	-	-	1,916
Transfers Out	(369,036)	(477,338)	(322,646)	(779,609)	(134,663)
Payments to Refunded Bond Escrow Agent	-	-	-	-	-
Total Other Financing Sources (Uses)	**(12,004)**	**(477,290)**	**(311,972)**	**(493,762)**	**97,196**
Net Change in Fund Balances	**(11,537)**	**284,485**	**(257,107)**	**(6,697)**	**55,964**
Fund Balances, October 1, 2014, as Restated	124,408	181,439	2,883,900	(78,141)	443,326
Increase (Decrease) in Inventory	1,024	-	-	-	(2,014)
Fund Balances, September 30, 2015	**$ 113,895**	**$ 465,924**	**$ 2,626,793**	**$ (84,838)**	**$ 497,276**

The Notes to the Financial Statements are an integral part of this statement.

Public Welfare Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 189,725	$ 1,489,021	$ 9,495,075
332	516,194	815,854
-	124,464	141,532
-	6,850	29,719
1,672,286	1,965,369	8,660,916
24,915	498,157	1,276,973
1,887,258	**4,600,055**	**20,420,069**
-	132,374	139,059
-	1,306,980	6,627,937
-	234,987	244,108
-	1,785,212	6,785,507
1,945,626	407,868	2,394,865
-	604,631	1,145,092
-	229,537	1,747,040
566	655,590	886,909
-	36,337	36,337
3,211	266,131	271,906
3,581	189,433	193,120
1,952,984	**5,849,080**	**20,471,880**
(65,726)	**(1,249,025)**	**(51,811)**
157,639	2,026,946	3,068,106
-	610,960	610,960
-	106,090	106,090
-	7,709	7,709
-	95,175	95,175
45	3,224	5,208
(84,531)	(1,240,794)	(3,408,617)
-	(124,437)	(124,437)
73,153	**1,484,873**	**360,194**
7,427	**235,848**	**308,383**
65,763	2,321,242	5,941,937
-	(402)	(1,392)
$ 73,190	**$ 2,556,688**	**$ 6,248,928**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
September 30, 2015
(Amounts in Thousands)

Net Change in Fund Balances for Governmental Funds		**$308,383**
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Outlay	413,993	
Depreciation Expense	(86,698)	
		327,295
In the Statement of Activities, only the gain (loss) on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost, net of accumulated depreciation, of the assets sold.		(24,106)
In the Statement of Activities, the change in the balance of inventories is expensed, whereas in the governmental funds, the change in the balance of inventories is adjusted to nonspendable fund balance.		(1,392)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		61,267
Long-term loans to other governments are expenditures in the governmental funds, and the repayment is revenue in the governmental funds.		
Long-term loans to other governments	30,945	
Repayments of loans	(59,012)	
		(28,067)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and information technology, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		3,933
Capital asset reassignments for the general government have not been reported in governmental fund financial statements.		
Internal service fund capital assets reassigned to the general government	23,062	
Internal service fund capital assets reassigned from the general government	(123)	
		22,939
Amortization of deferred losses and gains on refunding of debt reported in the Statement of Activities do not use or provide current financial resources and, therefore, are not reported as expenditures or revenue in the governmental funds.		
Amortization of deferred losses	(16,806)	
Amortization of deferred gains	78	
		(16,728)
Long-term debt proceeds provide current financial resources to governmental funds, which increases long-term liabilities in the Statement of Net Position. Long-term debt principal repayment is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Bond proceeds	(610,960)	
Refunding bond proceeds	(106,090)	
Capital lease proceeds	(7,709)	
Debt issuance premiums	(95,175)	
Payments to Refunded Bond Escrow Agent	124,437	
Repayment of bond principal	258,165	
Repayment of capital lease principal	13,742	
Accrued interest and debt-related amortization	56,905	
		(366,685)
Increases in long-term liabilities for certain expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Other post-employment benefits	(136,684)	
Compensated absences	137	
Claims, judgments, and other	(494)	
Pension Expense	(7,899)	
		(144,940)
Change in Net Position of Governmental Activities		**$141,899**

The Notes to the Financial Statements are an integral part of this statement.

ALABAMA
TENNESSEE
TENNESSEE RIVER
RIVER
RIVER
BLACK WARRIOR
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CHATTAHOOCHEE
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MISSISSIPPI
GEORGIA
TOMBIGBEE
RIVER
ALABAMA
CONECUH R.
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

STATEMENT OF NET POSITION
Proprietary Funds

September 30, 2015
(Amounts in Thousands)

	Business-type Activities – Enterprise Funds				
	Unemployment Compensation Trust	State Port Authority	Alabama Community College System	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 456,685	$ 38,078	$ 345,930	$ 35,622	$ 24,036
Investments, Short-term	-	18,951	85,479	-	7,354
Due From Other Funds	78	-	-	103	682
Due From Component Units	-	-	-	-	10
Accounts Receivable	5,767	12,443	65,268	5	700
Due From Other Governments	2	2,179	-	-	-
Securities Lending Collateral	15	-	-	138	5
Inventory	-	3,383	6,020	35,175	1,257
Other Current Assets	-	10,804	-	-	10,806
Total Current Assets	**462,547**	**85,838**	**502,697**	**71,043**	**44,850**
Noncurrent Assets					
Investments, Long-term	-	32,135	24,973	-	70,136
Due From Other Funds	-	-	-	-	11,791
Other Noncurrent Assets	-	2,019	4,582	-	41
Capital Assets, Net of Accumulated Depreciation	-	512,746	837,274	2,266	9,681
Capital Assets Not Depreciated	-	124,352	95,694	-	2,892
Total Noncurrent Assets	**0**	**671,252**	**962,523**	**2,266**	**94,541**
TOTAL ASSETS	**462,547**	**757,090**	**1,465,220**	**73,309**	**139,391**
DEFERRED OUTFLOWS OF RESOURCES	**0**	**8,038**	**37,425**	**3,029**	**302**
LIABILITIES					
Current Liabilities					
Warrants Payable	-	-	-	527	210
Due To Other Funds	6,500	-	-	26,832	1,000
Due To Component Units	-	-	-	-	-
Accounts Payable	28,139	17,432	33,835	39,406	794
Due To Other Governments	16	-	-	2,503	5
Claims Payable	-	713	-	-	4,599
Unearned Revenue	-	-	69,599	-	-
Funds Held in Escrow	75	-	7,295	16	-
Compensated Absences	-	1,951	2,623	470	35
Securities Lending Obligation	15	-	-	138	5
Notes and Capital Leases Payable	-	-	1,943	273	-
Revenue Bonds Payable	-	9,755	17,540	-	-
Other Long-term Liabilities	-	121	-	-	-
Total Current Liabilities	**34,745**	**29,972**	**132,835**	**70,165**	**6,648**
Noncurrent Liabilities					
Claims Payable	-	1,991	-	-	2,268
Unearned Revenue, Noncurrent	-	469	-	-	142
Due To Other Funds	-	-	-	-	10,000
Compensated Absences	-	2,926	14,988	5,057	241
Other Post-employment Benefits	-	17,318	-	28,055	254
Net Pension Liability	-	26,727	423,441	41,941	3,808
Notes and Capital Leases Payable	-	-	739	240	1,412
Revenue Bonds Payable	-	344,653	262,599	-	-
Other Long-term Liabilities	-	9,886	973	-	-
Total Noncurent Liabilities	**0**	**403,970**	**702,740**	**75,293**	**18,125**
TOTAL LIABILITIES	**34,745**	**433,942**	**835,575**	**145,458**	**24,773**
DEFERRED INFLOWS OF RESOURCES	**0**	**1,229**	**44,453**	**2,596**	**427**
NET POSITION					
Net Investment in Capital Assets	-	288,021	679,210	1,753	11,161
Restricted for:					
Permanent - Expendable	-	-	7,113	-	-
Permanent - Non-expendable	-	-	6,570	-	-
Unemployment Compensation	427,802	-	-	-	-
Education	-	-	-	-	2,461
Health	-	-	-	-	1,003
Debt Service	-	58,676	20,665	-	-
Capital Projects	-	-	798	-	-
Unrestricted	-	(16,740)	(91,739)	(73,469)	99,868
TOTAL NET POSITION	**$ 427,802**	**$ 329,957**	**$ 622,617**	**$ (71,716)**	**$ 114,493**

The Notes to the Financial Statements are an integral part of this statement.

Total Enterprise Funds	Governmental Activities Internal Service Funds
$ 900,351	$ 133,189
111,784	8,191
863	17,148
10	106
84,183	3,136
2,181	-
158	357
45,835	4,408
21,610	-
1,166,975	**166,535**
127,244	26,568
11,791	10,000
6,642	-
1,361,967	57,128
222,938	31,353
1,730,582	**125,049**
2,897,557	**291,584**
48,794	**3,834**
737	1,030
34,332	1,213
-	24
119,606	15,821
2,524	41
5,312	4,321
69,599	-
7,386	1
5,079	424
158	357
2,216	1,579
27,295	2,850
121	-
274,365	**27,661**
4,259	44,121
611	-
10,000	742
23,212	4,564
45,627	14,208
495,917	46,514
2,391	2,310
607,252	41,571
10,859	557
1,200,128	**154,587**
1,474,493	**182,248**
48,705	**2,607**
980,145	41,408
7,113	-
6,570	-
427,802	-
2,461	-
1,003	-
79,341	-
798	1,954
(82,080)	67,201
$ 1,423,153	**$ 110,563**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Proprietary Funds

For the Fiscal Year Ended September 30, 2015

(Amounts in Thousands)

	Business-type Activities – Enterprise Funds				
	Unemployment Compensation Trust	State Port Authority	Alabama Community College System	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds
OPERATING REVENUES					
Charges for Goods and Services	$ 0	$ 144,886	$ 168,539	$ 304,526	$ 42,120
Premiums and Contributions	306,866	-	-	-	46,198
Rents and Leases	-	-	-	-	422
Total Operating Revenues	**306,866**	**144,886**	**168,539**	**304,526**	**88,740**
OPERATING EXPENSES					
Salaries, Wages, and Benefits	-	-	432,901	42,505	4,083
Utilities and Communications	-	-	23,233	2,871	569
Professional Services	-	-	-	6,206	4,056
Supplies, Materials, and Operating Expenses	-	-	152,792	223,968	52,221
Depreciation	-	27,869	43,772	1,311	712
Claims and Benefits	209,412	-	-	-	5,447
Operations and Maintenance	-	77,112	-	-	-
General and Administrative	-	17,990	-	-	-
Other	-	-	79,503	19,296	6
Total Operating Expenses	**209,412**	**122,971**	**732,201**	**296,157**	**67,094**
Operating Income (Loss)	**97,454**	**21,915**	**(563,662)**	**8,369**	**21,646**
NONOPERATING REVENUES (EXPENSES)					
Taxes	-	-	-	13,996	-
Grants	2,662	103	251,713	270	1,018
Investment Income	8,952	(495)	1,178	-	686
Other Nonoperating Revenues	9,743	-	4,660	234	405
Interest Expense	-	(16,955)	(10,585)	(12)	(68)
Other Nonoperating Expenses	(1,051)	(1,161)	(4,449)	(2,044)	(476)
Total Nonoperating Revenues (Expenses)	**20,306**	**(18,508)**	**242,517**	**12,444**	**1,565**
Income (Loss) Before Contributions and Transfers	**117,760**	**3,407**	**(321,145)**	**20,813**	**23,211**
Capital Contributions	-	4,196	4,841	-	-
Contributions to Endowments	-	-	4	-	-
Transfers In	896	-	331,620	114	3,783
Transfers Out	(11,380)	(58)	-	(20,033)	(12,742)
Increase (Decrease) in Net Position	**107,276**	**7,545**	**15,320**	**894**	**14,252**
Total Net Position, October 1, 2014, as Restated	320,526	322,412	607,297	(72,610)	100,241
Total Net Position, September 30, 2015	**$ 427,802**	**$ 329,957**	**$ 622,617**	**$ (71,716)**	**$ 114,493**

The Notes to the Financial Statements are an integral part of this statement.

	Governmental Activities
Total Enterprise Funds	Internal Service Funds
$ 660,071	$ 91,834
353,064	17,683
422	18,173
1,013,557	**127,690**
479,489	35,371
26,673	18,305
10,262	15,526
428,981	36,865
73,664	8,752
214,859	3,052
77,112	-
17,990	-
98,805	9,648
1,427,835	**127,519**
(414,278)	**171**
13,996	-
255,766	95
10,321	491
15,042	1,110
(27,620)	(1,996)
(9,181)	(21,742)
258,324	**(22,042)**
(155,954)	**(21,871)**
9,037	123
4	-
336,413	33,510
(44,213)	(7,829)
145,287	**3,933**
1,277,866	106,630
$ 1,423,153	**$ 110,563**

STATEMENT OF CASH FLOWS
Proprietary Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Business-type Activities – Enterprise Funds				
	Unemployment Compensation Trust	State Port Authority	Alabama Community College System	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds
Cash Flows from Operating Activities:					
Receipts from Customer & User Charges	$ 320,438	$ 148,249	$ 160,145	$ 306,767	$ 89,723
Receipts from Interfund Services	-	-	-	35	6,139
Receipts from Operating Grants	2,583	-	104,753	-	1,017
Receipts from Interfund Reimbursements	4,265	-	-	-	-
Receipts from Other Operating Activities	9,745	-	7,025	14,337	421
Payments for Goods Held for Resale	-	-	-	(218,926)	(26,983)
Payments for Other Goods & Services	-	(58,761)	(251,534)	(23,767)	(25,800)
Payments for Employees Services	-	(36,059)	(435,185)	(41,672)	(5,070)
Payments for Taxes, Fines, Penalties, & Similar Fees	(5,689)	-	-	-	-
Payments for Interfund Services	-	-	-	(1,863)	(3,122)
Payments for Other Operating Activities	-	-	-	(7,812)	(366)
Payments for Claims	(213,899)	-	-	-	(14,418)
Net Cash Provided by (Used In) Operating Activities	**117,443**	**53,429**	**(414,796)**	**27,099**	**21,541**
Cash Flows from Noncapital Financing Activities:					
Proceeds of Program Revenue Bonds & Other Noncapital Debt	-	-	6,859	-	-
Receipts from Noncapital Financing Grants & Donations	889	-	229,896	-	5
Transfers from Other Funds for Noncapital Financing	8	-	331,620	164	3,783
Payments for Noncapital Financing Grants & Donations	(2,599)	-	(79,264)	-	-
Transfers to Other Funds for Noncapital Financing	(9,796)	-	-	(20,506)	(12,931)
Net Cash Provided By (Used In) Noncapital Financing Activities	**(11,498)**	**0**	**489,111**	**(20,342)**	**(9,143)**
Cash Flows From Capital & Related Financing Activities:					
Proceeds from Revenue Bonds & Other Capital Debt	-	-	46,239	-	-
Receipts from Capital Grants & Contributions	-	5,062	4,102	-	-
Receipts from Sale of Capital Assets & Insurance Proceeds	-	522	316	151	-
Payments to Acquire, Construct, & Improve Capital Assets	-	(24,213)	(67,052)	(3,221)	(2,220)
Principal Paid on Revenue Bonds & Other Capital Debt	-	(9,245)	(37,260)	(273)	(94)
Interest Paid on Revenue Bonds & Other Capital Debt	-	(18,973)	(10,442)	(12)	(68)
Bond Issuance Cost	-	-	(849)	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	**0**	**(46,847)**	**(64,946)**	**(3,355)**	**(2,382)**
Cash Flows From Investing Activities					
Receipts from Sales & Maturities of Investments	-	-	28,870	-	27
Receipts from Interest & Dividends on Investments & Loans	8,423	821	1,105	-	1,905
Purchase of Investments	-	(769)	(29,909)	-	(24)
Net Cash Provided By (Used In) Investing Activities	**8,423**	**52**	**66**	**0**	**1,908**
Net Increase (Decrease) In Cash and Cash Equivalents	**114,368**	**6,634**	**9,435**	**3,402**	**11,924**
Cash Balance as Restated, October 1, 2014	342,317	31,444	336,495	31,693	11,901
Cash Balance, September 30, 2015	**456,685**	**38,078**	**345,930**	**35,095**	**23,825**
Add: Warrants Payable	-	-	-	527	211
Cash and Cash Equivalents, as Reported on Balance Sheet	**$ 456,685**	**$ 38,078**	**$ 345,930**	**$ 35,622**	**$ 24,036**

The Notes to the Financial Statements are an integral part of this statement.

Total Enterprise Funds	Governmental Activities Internal Service Funds
$ 1,025,322	$ 9,164
6,174	115,655
108,353	-
4,265	-
31,528	554
(245,909)	(18,161)
(359,862)	(45,189)
(517,986)	(33,529)
(5,689)	(1)
(4,985)	(8,661)
(8,178)	(1,509)
(228,317)	(4,381)
(195,284)	**13,942**
6,859	-
230,790	-
335,575	33,301
(81,863)	-
(43,233)	(2,777)
448,128	**30,524**
46,239	-
9,164	-
989	226
(96,706)	(25,895)
(46,872)	(5,244)
(29,495)	(2,053)
(849)	-
(117,530)	**(32,966)**
28,897	1
12,254	144
(30,702)	-
10,449	**145**
145,763	**11,645**
753,850	120,514
899,613	**132,159**
738	1,030
$ 900,351	**$ 133,189**

Continued on next page...

STATEMENT OF CASH FLOWS (Continued from Previous Page)
Proprietary Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Business-type Activities – Enterprise Funds				
	Unemployment Compensation Trust	State Port Authority	Alabama Community College System	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	**$ 97,454**	**$ 21,915**	**$ (563,662)**	**$ 8,369**	**$ 21,646**
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Due from Other Funds	(44)	-	-	3	603
Accounts Receivable	508	3,397	4,508	508	4,514
Due From Other Governments	1	-	-	-	-
Inventory	-	(163)	240	(2,114)	-
Restricted Assets	-	-	-	90	-
Other Assets	-	(3,020)	(787)	-	748
Deferred Outflows of Resources	-	(1,513)	(15,817)	-	(4)
Due To Other Funds	9	-	-	1,361	(2)
Due to Component Units	-	-	-	-	(451)
Accounts Payable	7,017	(2,081)	1,569	1,362	71
Due to Other Governments	170	-	-	(289)	-
Claims Payable	-	45	-	-	(7,148)
Unearned Revenue	-	32	-	14	-
Funds Held in Escrow	2	-	-	-	-
Compensated Absences	-	(93)	(784)	(1,561)	(56)
Other Post-employment Benefits	-	2,136	-	3,591	29
Net Pension Liability	-	(75)	(12,001)	47	(452)
Other Liabilities	-	592	1,315	-	-
Deferred Inflows of Resources	-	1,229	25,886	-	410
Depreciation	-	27,869	43,772	1,311	712
Amortization Expense	-	3,115	-	-	-
Nonoperating Revenues	12,326	103	100,965	14,407	1,383
Nonoperating Expenses	-	(59)	-	-	(462)
Total Adjustments	19,989	31,514	148,866	18,730	(105)
Net Cash Provided (Used) by Operating Activities	**$ 117,443**	**$ 53,429**	**$ (414,796)**	**$ 27,099**	**$ 21,541**
Noncash Investing, Capital, and Financing Activities					
Increase (Decrease):					
Capital Assets Acquired by Capital Contribution	-	-	739	-	-
Capital Assets Acquired by Capital Lease or Other Debt	-	-	124	-	-
Capital Assets Acquired on Account	-	615	1,381	470	17
Disposals of Capital Assets	-	(12,035)	(5,048)	(4,740)	(85)
Capital Asset Reassignments	-	-	-	(5,419)	-
Revenue Bond Amortizations and Other Debt Adjustments	-	43	949	-	-
Interest Accruals and Other Adjustments	529	-	-	-	730
Unrealized Gains (Losses) in Investment Fair Value	-	1,229	(10)	-	(1,929)
Transfers In (Out)	(7)	-	-	504	-
Capital Grants and Contributions Receivable	-	(866)	-	-	-

The Notes to the Financial Statements are an integral part of this statement.

Total Enterprise Funds	Governmental Activities Internal Service Funds
$ (414,278)	**$ 171**
562	(645)
13,435	(2,380)
1	-
(2,037)	7,461
90	-
(3,059)	409
(17,334)	-
1,368	(217)
(451)	-
7,938	(242)
(119)	-
(7,103)	(995)
46	-
2	2
(2,494)	(25)
5,756	1,965
(12,481)	34
1,907	(488)
27,525	-
73,664	8,752
3,115	-
129,184	415
(521)	(275)
218,994	13,771
$ (195,284)	**$ 13,942**
739	30,190
124	176
2,483	243
(21,908)	(2,357)
(5,419)	(23,645)
992	175
1,259	568
(710)	(221)
497	3,041
(866)	-

STATE OF ALABAMA

STATEMENT OF FIDUCIARY NET POSITION
Fiduciary Funds

September 30, 2015
(Amounts in Thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents	$ 84,878	$ 39,269	$ 325,217
Investments			
Time Deposits	-	-	767
U.S. Treasury Securities	1,517,631	37,453	35,805
U.S. Agency Securities	407,612	6,401	-
State and Local Government Securities	-	291	7,310
Mortgage Backed Securities	928,903	9,659	2,635
Corporate Stocks	17,805,020	5,259	-
Corporate Bonds	6,219,013	24,112	1,900
Real Estate	3,285,732	558	-
Commercial Paper	406,719	-	-
International Stocks	4,063,874	-	-
Guaranteed Investment Contracts	242,874	-	-
Mutual and Money Market Funds	1,039,023	1,236,504	54
Receivables			
Employer Contributions Receivable	95,499	-	-
Member Contributions Receivable	56,495	-	-
Federal On-Behalf Contributions Receivable	49,794	-	-
Investment Sales Receivable	96,622	-	-
Accounts Receivable	177,502	2,001	1,627
Mortgages, Notes, and Loans Receivable	6,438	-	-
Securities Lending Collateral	2,758,638	2,226	526
Other Assets	11,116	-	-
Capital Assets, Net of Accumulated Depreciation	126,354	-	-
Capital Assets Not Depreciated	14,773	-	-
TOTAL ASSETS	**39,394,510**	**1,363,733**	**375,841**
Deferred Outflows Of Resources	**3,924**	**0**	**0**
LIABILITIES			
Warrants Payable	$ 47,504	$ 170	$ 25,202
Investment Purchases Payable	115,729	1,389	-
Due To Other Funds	3	5	-
Accounts Payable	15,637	21,925	321
Due To Other Governments	1,594	-	8,813
Claims Payable	50,955	-	-
Securities Lending Obligation	2,758,638	2,226	526
Unearned Revenue	47	-	-
Amounts Held in Custody for Others	-	680	340,979
Compensated Absences	4,582	7	-
Other Post-employment Benefits	8,939	-	-
Net Pension Liability	29,221	-	-
Notes and Mortgages Payable	1,000	-	-
TOTAL LIABILITIES	**3,033,849**	**26,402**	**375,841**
Deferred Inflows Of Resources	**2,113**	**0**	**0**
NET POSITION			
Restricted or Held in Trust for Beneficiaries	-	1,337,331	-
Restricted for Pension and Other Employee Benefits	36,362,472	-	-
TOTAL NET POSITION	**$ 36,362,472**	**$ 1,337,331**	**$ 0**

The Notes to the Financial Statements are an integral part of this statement.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Fiduciary Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds
ADDITIONS		
Contributions:		
Plan members	$ 1,061,471	$ 150,878
Employer	1,534,823	-
Other Contributions	45	-
Federal On-Behalf	62,950	-
Total Contributions	2,659,289	150,878
Investment Earnings		
Investment Interest and Dividends	1,070,912	56,601
Net Increase (Decrease) in Fair Value of Investments	(642,515)	(80,092)
Securities Lending Income	20,024	16
Total Investment Earnings	448,421	(23,475)
Less:		
Investment Expense	9,758	-
Securities Lending Interest and Fees	5,478	7
Net Investment Income	433,185	(23,482)
Other Additions		
Interest from Mortgages and Loans Receivable	311	-
Miscellaneous	190	305
Transfers In	-	23,558
Total Other Additions	501	23,863
Total Additions	**3,092,975**	**151,259**
DEDUCTIONS		
Benefit Payments and Refunds	4,085,636	166,580
Administrative Expense	40,166	8,609
Transfers Out	-	928
Total Deductions	**4,125,802**	**176,117**
Change in Net Position	**(1,032,827)**	**(24,858)**
Net Position Restricted or Held in Trust for Beneficiaries, October 1, 2014, as Restated	37,395,299	1,362,189
Net Position Restricted or Held in Trust for Beneficiaries, September 30, 2015	**$ 36,362,472**	**$ 1,337,331**

The Notes to the Financial Statements are an integral part of this statement.

STATE OF ALABAMA

STATEMENT OF NET POSITION
Component Units

September 30, 2015
(Amounts in Thousands)

	University of Alabama	Auburn University	University of South Alabama	Housing Finance Authority	State Employees' Health Insurance
ASSETS					
Cash and Cash Equivalents	$ 431,510	$ 87,270	$ 98,027	$ 9,549	$ 1,742
Investments	3,662,733	1,487,908	635,388	358,597	72,717
Due From Primary Government	-	-	-	-	267
Accounts Receivable	482,623	41,847	56,988	18,531	17,617
Due From Other Governments	-	-	-	-	-
Mortgages, Notes, and Loans Receivable	236,533	61,689	5,846	531,151	1,000
Securities Lending Collateral	-	-	-	-	769
Inventory	25,395	4,861	-	-	-
Restricted Assets	-	-	31,324	-	-
Other Assets	128,030	36,286	14,983	49,809	41
Capital Assets, Net of Accumulated Depreciation	3,415,292	1,507,246	529,557	-	1,562
Capital Assets Not Depreciated	348,325	63,958	105,572	-	-
TOTAL ASSETS	**8,730,441**	**3,291,065**	**1,477,685**	**967,637**	**95,715**
DEFERRED OUTFLOWS OF RESOURCES	**183,037**	**80,184**	**26,370**	**160**	**641**
LIABILITIES					
Warrants Payable	-	-	-	-	17
Investment Purchases Payable	-	-	-	-	374
Due To Primary Government	48,584	-	-	-	539
Accounts Payable	376,897	79,566	51,213	22,097	2,431
Due To Other Governments	22,563	-	-	-	-
Securities Lending Obligation	-	-	-	-	769
Unearned Revenue	415,573	210,704	58,602	6,843	216
Amounts Held in Custody for Others	126,507	23,040	-	324,263	-
Noncurrent Liabilities:					
Due Within One Year	176,139	44,427	24,796	17,277	10,299
Due In More Than One Year	3,755,225	1,323,898	777,969	233,403	24,855
TOTAL LIABILITIES	**4,921,488**	**1,681,635**	**912,580**	**603,883**	**39,500**
DEFERRED INFLOWS OF RESOURCES	**161,651**	**39,513**	**35,891**	**1,212**	**423**
NET POSITION					
Net Investment in Capital Assets	1,809,682	858,436	247,141	-	1,562
Restricted for:					
Permanent - Expendable	654,157	158,283	12,629	-	-
Permanent - Non-expendable	746,643	397,870	212,999	-	-
Education	-	-	-	-	-
Debt Service	-	-	-	9,905	-
Capital Projects	-	4,379	-	-	-
Other Purposes	-	5,171	143,510	-	-
Unrestricted	619,857	225,962	(60,695)	352,797	54,871
TOTAL NET POSITION	**$ 3,830,339**	**$ 1,650,101**	**$ 555,584**	**$ 362,702**	**$ 56,433**

The Notes to the Financial Statements are an integral part of this statement.

Public Education Employees' Health Insur	Nonmajor Component Units	Total Component Units
$ 7,858	$ 392,360	$ 1,028,316
113,276	744,151	7,074,770
-	6,050	6,317
7,299	137,574	762,479
1,208	572,957	574,165
-	26,669	862,888
-	733	1,502
-	8,903	39,159
-	2,025	33,349
9,702	31,416	270,267
-	1,103,303	6,556,960
-	234,574	752,429
139,343	**3,260,715**	**17,962,601**
275	**71,681**	**362,348**
10	78	105
-	37	411
5	2,330	51,458
382	79,311	611,897
8,302	97,290	128,155
-	733	1,502
-	166,648	858,586
-	14,959	488,769
78,657	55,191	406,786
3,826	1,410,708	7,529,884
91,182	**1,827,285**	**10,077,553**
185	**44,670**	**283,545**
-	668,895	3,585,716
-	111,941	937,010
-	180,997	1,538,509
-	3,084	3,084
-	620,270	630,175
-	5,417	9,796
-	39,365	188,046
48,251	(169,528)	1,071,515
$ 48,251	**$ 1,460,441**	**$ 7,963,851**

STATEMENT OF ACTIVITIES
Component Units

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	University of Alabama	Auburn University	University of South Alabama	Housing Finance Authority	State Employees' Health Insurance
Expenses	**$ 4,252,343**	**$ 1,007,979**	**$ 717,427**	**$ 57,767**	**$ 331,705**
Program Revenues					
Charges for Services	3,233,413	614,816	487,534	22,914	325,400
Operating Grants and Contributions	740,885	326,862	86,306	17,605	14
Capital Grants and Contributions	12,924	4,829	2,784	-	-
Total Program Revenues	**3,987,222**	**946,507**	**576,624**	**40,519**	**325,414**
Net (Expense) Revenue	**(265,121)**	**(61,472)**	**(140,803)**	**(17,248)**	**(6,291)**
General Revenues:					
Payments from State of Alabama	458,127	157,436	103,424	-	-
Grants and Contributions Not Restricted to Specific Programs	98	-	-	-	-
Unrestricted Investment Earnings	(102,923)	9,876	35,904	34,057	3,668
Miscellaneous	95	-	39,898	-	2
Contributions to Permanent Funds and Endowments	34,304	361	4,464	-	-
Special Items	-	-	-	-	(94,601)
Total General Revenues and Contributions	**389,701**	**167,673**	**183,690**	**34,057**	**(90,931)**
Change in Net Position	**124,580**	**106,201**	**42,887**	**16,809**	**(97,222)**
Net Position, October 1, 2014, as Restated	3,705,759	1,543,900	512,697	345,893	153,655
Net Position, September 30, 2015	**$ 3,830,339**	**$ 1,650,101**	**$ 555,584**	**$ 362,702**	**$ 56,433**

The Notes to the Financial Statements are an integral part of this statement.

Public Education Employees' Health Insur	Nonmajor Component Units	Total Component Units
$ 881,194	**$ 1,112,621**	**$ 8,361,036**
880,915	543,430	6,108,422
1,058	265,533	1,438,263
-	5,526	26,063
881,973	**814,489**	**7,572,748**
779	**(298,132)**	**(788,288)**
-	301,742	1,020,729
-	64	162
202	28,121	8,905
-	19,484	59,479
-	282	39,411
-	-	(94,601)
202	**349,693**	**1,034,085**
981	**51,561**	**245,797**
47,270	1,408,880	7,718,054
$ 48,251	**$ 1,460,441**	**$ 7,963,851**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the State of Alabama (the primary government) and its component units. Component units are legally separate organizations ("public corporations") for which the primary government is financially accountable. Generally, the primary government is financially accountable if it appoints a voting majority of the organization's board and it can either 1) impose its will on the organization, or 2) there is a financial benefit/burden relationship. If the primary government does not control the board, it may be financially accountable if the organization is fiscally dependent on the State. Organizations making up the primary government and its component units are summarized in the following paragraphs.

1. Primary Government

All state departments, agencies, elected officials, boards, commissions, authorities, committees, halls of fame, educational institutions, and other state organizations (hereafter referred to as "agencies") which are not legally separate are, for financial reporting purposes, part of the primary government. All agencies and funds that operate from within the State Treasury, except those listed later as component units, are part of the primary government. The following non-Treasury agencies operate largely independent of the control of the State Comptroller, State Auditor, and State Treasurer, but lack the corporate powers to make them legally separate and are therefore part of the primary government:

- Alabama Community College System
- Alabama Fire College
- Alabama Technology Network
- Aviation Hall of Fame
- Cahawba Advisory Committee
- Commercial Mobile Radio Service Board
- Dental Examiners Board
- Dental Scholarships Awards Board
- Firefighters Annuity and Benefit Board
- Gorgas Memorial Board
- Alabama Industrial Development and Training Institute
- Medical Examiners and Licensure Commission
- Motor Sports Hall of Fame
- Optometric Scholarships Awards Board
- Optometry Board
- Pharmacy Board
- Pilotage Commission
- Podiatry Board
- School of Fine Arts
- St. Stephens Historical Commission
- State Port Authority
- Women's Hall of Fame

2. Blended Component Units

Blended component units are legally separate but they either exist solely to provide services (usually financing) exclusively to the State, or their debt is expected to be paid using primary government resources. Because of this close relationship, they are blended with and reported as though they are a part of the primary government. All references in the financial statements or elsewhere in these notes to the term "primary government" will encompass both the primary government and the blended component units.

The following blended component units were created for the purpose of financing State capital expenditures. Each issues revenue bonds that are limited obligations of the component unit. Their boards consist of state officials and specific state revenues are pledged for bond repayment. Those marked with a † are currently inactive and had no financial balances or activity in the past fiscal year.

- Agriculture Markets and Coliseum Authority †
- Corrections Institution Finance Authority
- Mental Health Finance Authority

- Federal Aid Highway Finance Authority
- Highway Authority †
- Highway Finance Corporation
- Industrial Access Road and Bridge Authority †
- Toll Road, Bridge and Tunnel Authority †
- Judicial Building Authority
- Alabama Trade School and Junior College Authority †
- Gulf State Park Authority†

The Building Renovation Finance Authority has the same characteristics as those in the previous paragraph, but has the added responsibility of operating, maintaining, and renting buildings in the capitol complex that are occupied by state departments.

The following blended component units were created primarily for the purpose of financing capital grants and loans. These grants and loans are made to local school systems for building and equipping school buildings, or to local industrial development boards, or to industries locating in or expanding in the State. Each issues revenue bonds that are limited obligations of the component unit. Their boards consist of a majority of state officials and specific state revenues are pledged for bond repayment. Those marked with a † are currently inactive and had no financial balances or activity in the past fiscal year.

- Alabama Public School and College Authority
- Alabama Incentives Financing Authority
- Alabama Twenty-first Century Authority
- State Industrial Development Authority
- Revolving Loan Fund Authority
- Tennessee Valley Exhibit Commission †

The Department of Mental Health provides mental health services to the people of Alabama. The Governor of the State and the commissioner of the Department constitute a public corporation and are advised by a sixteen-member board of trustees. The commissioner and ten of the board members are appointed at the discretion of the Governor. All of the department's debt is repaid with resources of the primary government.

The Public Historical Sites and Parks Improvement Corporation issues bonds and uses the proceeds to renovate, improve, maintain, and construct State owned public historical sites and parks not under the jurisdiction of the Department of Conservation and Natural Resources as well as non-State owned public historical sites and parks. The six members of the Corporation are state officials. The debt is repaid entirely with resources of the primary government.

The State Parks System Improvement Corporation renovates, improves, maintains, and constructs assets belonging to the State Parks System. The six members of the Corporation are state officials. The debt of the Corporation is repaid entirely with resources of the primary government.

The Tombigbee Valley Development Authority consists of six state officials who oversee the development and improvements along the Tombigbee River. The debt of the Authority is repaid entirely with resources of the primary government.

The Coosa Valley Development Authority oversees developments and improvements along the Coosa River. Six of the seven members of the Authority are state officials. The debt of the Authority is repaid entirely with resources of the primary government.

The Forensic Science Bond Authority has the power to acquire, construct, and equip laboratories and other facilities for the State Department of Forensic Sciences. The four members of the Authority are state officials. The Authority had no financial activity in the past fiscal year.

The Alabama State Parking Deck Authority has the authority to sell bonds, operate, maintain, and rent space in a parking deck on a block in the capitol complex. The members of the Authority are State officials and the debt will be repaid with State resources.

The Educational Television Foundation Authority raises and manages money and property solely for the benefit of the Alabama Educational Television Commission, a State agency. The Authority consists of thirteen members who are appointed by the Alabama Educational Television Commission. The Authority provides fund raising and promotion flexibility that the Commission, as part of the primary government, would not otherwise have.

The Public Health Care Authority was created solely to build, furnish, and maintain facilities for the use of the Department of Public Health, a State agency, financing those facilities with debt issuances which are backed by leases with the Department. Three of the seven board members are state officials but the remaining board members are not appointed by the State and the Authority is not fiscally dependent on the State. The Authority is included in these financial statements because it would be misleading to exclude them due to the close relationship with the State.

3. Discretely Presented Component Units

Discretely presented component units are organizations, which are legally separate and do not exist to provide services exclusively to the primary government. Providing services to the citizens of the state is not considered the same as providing services to the primary government institution. Financial information for discretely presented component units is segregated on the financial statements and the notes in the "Component Unit" columns in order to emphasize that they are legally separate.

Most of the discretely presented component units have boards that are controlled by the primary government through the appointment of a majority of the board members. The State has been determined to be financially accountable for each organization because it can impose its will on each organization. Unless otherwise noted, financial accountability for each organization described below exists at least in the ability of the State to modify the component unit's budget. Other manifestations of financial accountability may also exist.

For discretely presented component units whose boards are not controlled by the State, the organization has been determined to be fiscally dependent on the State. Unless otherwise noted, fiscal dependency exists at a minimum in the State's ability to modify the component unit's budget. Other manifestations of fiscal dependency may also exist.

When audited financial statements for a discretely presented component unit exist, the address at which such financial statements can be obtained is included in the following paragraphs describing each component unit. For all other discretely presented component units, complete financial statements may be obtained from the State of Alabama, Office of State Comptroller, RSA Union Building, Suite 206, Montgomery, AL 36130-2602.

The Water Pollution Control Authority operates a revolving loan fund to aid municipalities in financing the construction of wastewater treatment facilities. A five-member board of directors made up of ex officio members governs the Authority. Audited financial statements of the Authority may be obtained from the Alabama Department of Environmental Management, 1400 Coliseum Boulevard, Montgomery, AL 36130.

The Alabama Drinking Water Finance Authority operates a revolving loan fund to aid local governments in financing the construction of sanitary drinking water facilities. A five-member board of directors made up of ex officio members governs the Authority. Audited financial statements of the Authority may be obtained from the Alabama Department of Environmental Management, 1400 Coliseum Boulevard, Montgomery, AL 36130.

The Crime Victims Compensation Commission awards compensation for economic losses arising from criminal conduct and works to change laws to benefit crime victims. The Commission consists of three members who are appointed by the Governor.

The Alabama Education Foundation encourages donations of money for local school systems and invests the money for the benefit of each local system. The Foundation is governed by a twelve-member board that is made up of state officials and other individuals appointed by state authorities.

The Supercomputer Authority operates a supercomputer for the use of educational and governmental research institutions, private businesses, and individuals. The twenty directors of the Authority are appointed by state officials.

The Public Education Employees' Health Insurance Board operates a health insurance plan for employees of public school systems, state junior colleges, colleges, universities, and related education administrative employees. The State does not appoint a majority of the Board but the Board is fiscally dependent on the State. Audited financial statements of the board may be obtained at 201 South Union Street, Montgomery, AL 36104-0001.

The State Employees' Insurance Board operates health insurance plans for state employees. The State does not appoint a majority of the Board but the Board is fiscally dependent on the State. Audited financial statements of the board may be obtained at Suite 200, 201 South Union Street, Montgomery, AL 36104.

The boards of the four-year colleges of the State, except for the University of Alabama, are appointed by the State. Those colleges are: Alabama A&M University, Alabama State University, Athens State University, Auburn University, Jacksonville State University, University of Montevallo, University of West Alabama, University of North Alabama, University of South Alabama, and Troy University. The University of Alabama board of trustees is not controlled by the State, but the University is subject to budgetary control by the State. The Crimson Tide Foundation, UAB Research Foundation, Triton Health Systems, LLC., Alabama Care Plan, and UAB Hospital Management, LLC. are blended component units of the University of Alabama and are therefore included in all amounts reported for the University. The University of South Alabama includes the Professional Liability Trust Fund, the General Liability Trust Fund, and the USA HealthCare Management, LLC as blended component units.

In addition to the blended component units, there are other legally separate, tax exempt organizations that are discretely presented component units of the universities. These organizations generally exist to raise funds to benefit a specific university. Although the university may not control the timing or amount of receipts from these foundations, the majority of resources that the foundations hold and invest are restricted to benefit the activities of the universities by the donors. Because the resources are held for the benefit of the universities, the foundations are considered discretely presented component units of the universities and are included in each of the universities' financial statements. For the University of Alabama, the University's discretely presented component units are The National Alumni Association of The University of Alabama, The Capstone Foundation, The 1831 Foundation, The Capstone Health Services Foundation, The University of Alabama Law School Foundation, The Donor Advised Fund, Southern Research Institute, and The University of Alabama Huntsville Foundation. For Alabama State University, the Alabama State University Foundation, Inc. and the Trust for Educational Excellence at Alabama State University are component units. For Auburn University, the University's component units are the Auburn University Foundation, Tigers Unlimited Foundation, Auburn Alumni Association, and Auburn Research and Technology Foundation. The University of Montevallo Foundation is a component unit of the University of Montevallo and is included in the amounts reported for Montevallo. The University of South Alabama has four component units, the University of South Alabama Foundation, University of South Alabama Health Services Foundation, the Gulf Coast Regional Care Organization, and USA Research and Technology Corporation. The Troy University Foundation is a component unit of Troy University. Jacksonville State University's component unit is Jacksonville State University Foundation, Inc. For the University of North Alabama, the University of North Alabama Foundation is a component unit and is included in the amount reported for North Alabama. The Alabama A&M University has two component units – The Alabama A&M University Foundation, Inc. and the Trust for Educational Excellence at Alabama A&M University. For Athens State University, the Athens State University Foundation is a component unit. The University of West Alabama Foundation is a component unit of The University of West Alabama.

Complete financial statements for the universities which are audited by other auditors may be obtained at the following addresses: Chief Fiscal Officer, University of South Alabama, Business Office AD 380, Mobile, AL 36688-0002; Office of the Vice President for Business and Finance, Alabama A&M University, P.O. Box 369, Normal, AL 35762; Vice-President for Financial Affairs, University of Alabama at Tuscaloosa, P.O. Box 870142, Tuscaloosa, AL 35487-0142; Office of Accounting and Financial Reporting, The University of Alabama in Huntsville, 301 Sparkman Drive, Huntsville, AL 35899; Vice President for Financial Affairs and Administration, University of Alabama at Birmingham, 921 AB, 701 20th Street South, Birmingham, AL 35294; Controller, Auburn University, 127 Ingram Hall, Auburn University, AL 36849-5161; Comptroller, Station 6061, University of Montevallo, Montevallo, AL 35115-6000; Vice President for Business and Finance, Alabama State University, 915 S. Jackson Street, Montgomery, AL 36104; Vice President for Financial Affairs, Athens State University, 300 North Beaty Street, Athens, AL 35611; Vice President for Administrative and Business Affairs, Jacksonville State University, 700 Pelham Road North, Jacksonville, AL 36265-1602; Comptroller, University of West Alabama, UWA Station 2, Livingston, AL 35470; Controller, University of North Alabama, UNA Box 5003, Florence, AL 35632-0001; Senior Vice-Chancellor Finance and Business, Troy University, Rm 241 Adams Administration Building, Troy, AL 36082.

The Alabama Institute for the Deaf and Blind (AIDB) is an educational institution governed by a fourteen-member board, twelve of whom are appointed by the Governor. The Alabama Institute of Deaf and Blind Foundation, Inc. is a component unit of AIDB and is included in the amount reported.

The Marine Environmental Sciences Consortium provides educational programs in marine sciences for the graduate and undergraduate level and conducts research in marine sciences. The board of directors is composed of the chief executive officers of the member institutions.

The U.S.S. Alabama Battleship Commission consists of eighteen members appointed by the Governor. The Commission operates a memorial park centered near the historic battleship.

The fourteen-member board of directors of the Housing Finance Authority is appointed by various state officials. The Authority sells bonds and uses the proceeds to make it possible for lenders to make low interest rate mortgages available to low income home buyers.

The primary government does not affect the Authority's budget, but the legislature has historically limited the Authority's ability to issue bonds. Audited financial statements may be obtained from the Authority, P.O. Box 230909, 2000 Interstate Park Drive, Suite 408, Montgomery, AL 36123-0909.

The Alabama Historic Ironworks Commission operates an historic park based on one of the State's early ironworks. Fourteen of the eighteen members of the commission are appointed by the Governor. Part of the Commission's budget is subject to State control.

The Space Science Exhibit Commission operates the Alabama Space and Rocket Center along with the Space Camp. All eighteen members of the Commission are appointed by the Governor and part of the Commission's budget is subject to State approval. Audited financial statements may be obtained from the Commission at the Alabama Space and Rocket Center, P. O. Box 070015, Huntsville, AL 35807-7015.

The Alabama International Airport Authority was created to develop an international airport in the State. The State controls the appointment of only five of the ten members. All funding for the Authority was historically through the General Fund, so the Authority is subject to full budgetary control. The Authority has received no funding for a number of years and is currently inactive.

The Historical Commission is responsible for the preservation of historic sites, buildings, and objects. The twenty-member Commission is not controlled by the State, but the Commission's budget is subject to State control.

The Choctawhatchee Pea and Yellow Rivers Watershed Management Authority develops and executes plans for water conservation and usage, flood control and prevention, water pollution control, wildlife habitat protection, and erosion control within the boundaries of the Authority. The directors of the Authority are elected by local residents, but the Authority is subject to State budgetary control.

The Agricultural Museum Board exists to preserve and exhibit agricultural artifacts. The Board is not controlled by the State, but it is subject to State budgetary control.

The Music Hall of Fame operates a public exhibit displaying music memorabilia in honor of Alabamians who have made a lasting contribution to music. The Hall has both an independent board and is fiscally independent of the State. The Hall is included in these financial statements because it would be misleading to exclude. The State has some limited budgetary influence and the State funded the construction of the Hall's facilities with a general obligation bond issue.

The Historic Blakeley Authority preserves the historic site of the town of Blakeley and operates a park on the site. The Authority has both an independent board and is fiscally independent of the State. The Authority is included in the reporting entity because the State has some limited budgetary influence and the State provides the majority of the Authority's funding.

The Agricultural Development Authority promotes development of agriculture in the State by making low interest loans available to persons engaged in agricultural operations. The seven-member board is made up of three state officials and four other persons appointed by the State.

The Red Mountain Greenway and Recreational Area Commission is responsible for preserving, restoring, and promoting as a greenway, recreational area, or historic site certain land in Birmingham which played an important role in the steel industry of the State. The fifteen member Commission is not controlled by the State, but the Commission is fiscally dependent on the State.

4. Fiduciary Component Units

Component units that are fiduciary in nature are required by GAAP to be reported with the fiduciary funds of the primary government rather than as discretely presented component units. In accordance with GAAP, primary government fiduciary funds and component units that are fiduciary in nature are excluded from the government-wide financial statements.

The Employees' Retirement System (ERS), a discretely presented component unit, operates several pension (and other employee benefit) trust funds for the benefit of state and local governmental employees. The ERS is governed by a thirteen-member board of control, seven of whom are either primary government officials or appointees of the Governor.

The Teachers' Retirement System (TRS), a discretely presented component unit, operates a pension plan for the benefit of all employees of public education institutions throughout the State. It is governed by a fourteen-member board, ten of whom are elected from among the member employees. The administrative budget of TRS is subject to approval by the State. Audited financial statements for the TRS and ERS may be obtained from the RSA at 201 South Union Street, P.O. Box 302150, Montgomery, AL 36130-2150.

5. Excluded Organizations

Other entities have been examined but failed to meet the criteria for inclusion in the State's reporting entity. City and county boards of education are legally separate organizations whose boards are not controlled by the State. They are fiscally dependent on both the State and local government. It is more appropriate that they be included in a local government's reporting entity.

The Local Government Health Insurance Board, Elk River Development Agency, Bear Creek Development Authority, Cahaba Trace Commission, and North Alabama Agriplex Board are legally separate organizations whose boards are not controlled by the State nor are they fiscally dependent on the State. All five of these organizations are excluded. The many local soil and water conservation districts are legally separate organizations which have independent boards and are fiscally independent. In keeping with their independence, they are excluded from this report.

6. Sources of Information

The majority of state organizations, whether primary government or component unit, conduct their financial operations from the State Treasury through the State's central accounting system under the supervision and review of the State Comptroller, State Treasurer, and State Auditor. The source of information on these agencies is the State's central accounting system. For these agencies, the recording of cash, warrants payable, encumbrances, salaries payable, compensated absences, most investments, most short-term payables, most revenues, and most expenditures/expenses are controlled by the State Comptroller and/or the State Treasurer and are therefore subject to extensive scrutiny. Accruals of revenues, a few accruals of expenditures/expenses, and all other accounts, such as depreciation, capital assets, inventories, and capital leases, generally are based on data provided by the individual agencies. The data provided by the agencies are reviewed and recorded once a year and are believed to be materially correct even though they are not generally subject to extensive scrutiny by the State Comptroller, State Treasurer, or State Auditor.

There are some organizations and funds which meet the criteria for inclusion as part of the reporting entity even though they have the authority to conduct their financial operations through bank accounts and accounting systems outside the State Treasury, independent of the direct daily control of the State Comptroller, State Treasurer, and State Auditor. These non-Treasury agencies are included in the financial statements based on information provided to the State Comptroller once a year by the agency or the agency's auditors. Whenever possible, the non-Treasury agencies are reported as they appeared in the information submitted to the State Comptroller. However, corrections or modifications have been made whenever required to comply with generally accepted accounting principles or wherever necessary to ensure consistent statewide report presentation.

The following non-Treasury agencies and funds are included in this report:

a. Primary Government

- Alabama College Education Savings Trust Fund
- Alabama Community College System
- Alabama Deferred Compensation Plan
- Alabama Health Insurance Plan
- Alabama Industrial Development Training Institute
- Alabama School of Fine Arts
- Alabama State Port Authority
- Alabama Fire College
- Alabama Technology Network
- Attorney General Outside Accounts
- Aviation Hall of Fame
- Blind Vendors Fund
- C.C. Smith Trust Fund
- Cahawba Advisory Committee
- Charlotte Thorn Endowment Fund
- Corrections Bank Accounts and Agency Funds
- Corrections Canteen Funds
- Court System Local Accounts
- Dental Examiners Board
- Dental Scholarships Awards Board
- Department of Human Resources Local Funds
- Educational Television Foundation Authority
- Geological Survey Library Revolving Fund

- Gorgas Memorial Board
- High School of Math and Science
- Insurance Department Statutory Deposits
- Insurance Department Receivership
- Medicaid Agency Lien Account
- Medical Scholarships Awards Account
- Medical Examiners and Licensure Commission
- Men’s Hall of Fame Outside Account
- Military Department Unit Funds
- Motor Sports Hall of Fame
- National Guard Canteen Funds
- Optometry Board
- Optometric Scholarships Awards Board
- Peace Officers' Annuity and Benefit Investment Account
- Pharmacy Board
- Pilotage Commission
- Podiatry Board
- Public Health Care Authority
- Public Health Local Funds
- Public Safety Narcotics Funds
- Sports Hall of Fame Checking Account
- St. Stephens Historical Commission
- State Bar Checking Account
- State Bar Client Security
- State Bar Foundation
- State Port Authority Hourly Pension Plan
- State Port Authority Railway Pension Plan
- Stonewall Jackson Memorial Fund
- Supreme Court Checking Account
- Supreme Court Law Library Checking Account
- Unemployment Compensation Funds
- Victims Services Fund
- W.V. Chambliss Trust Fund
- Wireless 911 Board
- Women's Hall of Fame
- Youth Service Student Accounts and Local Funds

b. Discretely Presented Component Units

- Alabama Agricultural and Mechanical University
- Alabama Agricultural Development Authority
- Alabama Drinking Water Finance Authority
- Alabama Historic Ironworks Commission
- Alabama Housing Finance Authority
- Alabama Institute for Deaf and Blind
- Alabama State University
- Athens State University
- Auburn University
- Historic Blakeley Authority
- Crime Victims’ Compensation Fund
- Jacksonville State University
- Marine Environmental Sciences Consortium
- Mental Health Capital Projects - Bank Account
- Music Hall of Fame
- Red Mountain Greenway and Recreational Area Commission

- Red Mountain Greenway and Recreational Area Commission
- Space Science Exhibit Commission and
  Space Science Exhibit Finance Authority
- Troy University
- U.S.S. Alabama Battleship Commission
- University of Alabama in Birmingham
- University of Alabama in Huntsville
- University of Alabama System Office
- University of Alabama in Tuscaloosa
- University of Montevallo
- University of North Alabama
- University of South Alabama
- University of West Alabama
- Water Pollution Control Authority

B. Government-Wide and Fund Financial Statements

1. Government-Wide Financial Statements

Government-wide financial statements include two basic financial statements: the Statement of Net Position and the Statement of Activities. The two statements report the State's governmental activities separately from its business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Fiduciary funds and fiduciary-type component units are excluded from the government-wide financial statements.

The Statement of Net Position presents the reporting entity's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Net Position is reported in three categories:

Net Investment in Capital Assets consists of capital assets less accumulated depreciation, plus capital-related deferred outflows of resources, less capital-related deferred inflows of resources, and less outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Position results when constraints placed on net position are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position consists of net position that does not meet the definition of the two preceding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are reported as general revenue.

2. Fund Financial Statements

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with nonmajor funds being combined into a single column.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

1. Measurement Focus and Basis of Accounting

These financial statements are reported in conformity with generally accepted accounting principles (GAAP) unless otherwise noted on the face of the statement or in the Notes to the Financial Statements. GAAP basis reporting differs considerably in some ways from the budgetary and cash basis accounting under which the State budgets and operates.

a. Accrual Basis

Under GAAP, the government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Agency funds, however, do not have a measurement focus.

Revenues are recognized and recorded when earned and expenses are recorded when a liability is incurred for exchange and exchange-like transactions, regardless of the timing of cash flows. For nonexchange transactions, revenues and expenditures and related assets and liabilities are recognized as required by GASB Statement No. 33, as amended by GASB Statement No. 65. For derived nonexchange transactions, receivables and revenues are recognized when the underlying exchange has occurred. For imposed nonexchange transactions, receivables are recognized when an enforceable legal claim has arisen. Revenues are recognized when resources are required to be used or the first period that use is permitted.

Property taxes are recognized as revenues in the year for which they are levied. For government mandated nonexchange revenues such as grants, GAAP require the recognition of assets, revenues, liabilities, and expenditures when all eligibility requirements have been met. Resources received before time requirements are met, but after all other eligibility requirements have been met, are reported as deferred inflows of resources. Agency funds, fiduciary in nature, do not recognize revenues and expenditures.

Proprietary funds report operating revenues and expenses separately from non-operating items. Operating items generally result from producing and delivering goods and services that are a normal part of the primary business of the fund. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

b. Modified Accrual Basis

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Recognition criteria are different for exchange and nonexchange transactions. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State generally considers tax revenues and court settlements to be available if they are collected within sixty days of the end of the fiscal period. Revenues that the State earns by incurring obligations are recognized in the period when all applicable eligibility requirements have been met and the resources are available. The State considers revenues earned by incurring obligations to be available if they are collected within sixty days of the end of the fiscal period.

For exchange and exchange-like transactions in governmental fund financial statements, revenues are recognized when measurable and available to finance operations during the year or if available to liquidate liabilities existing at the end of the year. Expenditures are recognized when the related fund liability is incurred, except for items that are not expected to be liquidated with expendable available resources, such as debt service, the long-term portion of compensated absences payable, and claims and judgments. The State uses sixty days after fiscal year end as the availability criteria for the recognition of revenues in governmental funds.

For nonexchange transactions, revenues and expenditures and related assets and liabilities are recognized as required by GASB Statement No. 33, as amended by GASB Statement No. 65. For income taxes, general sales taxes, utility taxes, insurance premium taxes, general use taxes, gasoline taxes, motor fuels tax, electric public utility tax, and other derived nonexchange transactions, revenues are recognized when the underlying exchange has occurred and the resources are available. For property taxes, business privilege tax, and other imposed nonexchange transactions, receivables are recognized when an enforceable legal claim has arisen. Revenues are recognized when resources are required to be used or the first period that use is permitted and the resources are available. For property taxes, revenues are recognized if received within sixty days; otherwise, deferred inflows of resources are reported. For federal grants and other government mandated nonexchange revenues, assets, revenues, liabilities, and expenditures are recognized when all eligibility requirements have been met and (for revenues) resources are available. Deferred inflows of resources are reported until the revenue becomes available. For reimbursement-type federal grants, eligibility requirements are met when recipients incur allowable costs, not when those costs are submitted for reimbursement.

Material accruals are for income taxes, general sales taxes, utility taxes, insurance premium taxes, general use taxes, gasoline taxes, motor fuels tax, electric public utilities tax, property taxes, business privilege tax, nursing facility tax, pharmaceutical services tax, federal grants, oil and gas royalties, investment sales receivables, and interest.

2. Financial Statement Presentation

a. Major Funds

The State reports six major governmental funds. The **General Fund** is the State's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund. The **Education Trust Fund** accounts for the revenues collected for the support, maintenance, and development of public education in Alabama. General sales and uses taxes, income taxes, and utilities taxes are the primary revenues restricted to this fund. The **Alabama Trust Fund** consists of income from the sale or lease of rights for offshore exploration and drilling for oil and gas off the Alabama coast. Investment income earned on the

trust balance is used to support the General Fund, Forever Wild Land Trust, and a variety of capital projects and debt service. **Medicaid** accounts for the portion of the Medicaid program that is funded by Federal revenues and Medicaid provider taxes. The **Public Road and Bridge Fund** accounts for funds used to construct and maintain public highways. Revenues in the fund consist of federal revenues, gasoline taxes, and other motor fuel taxes. The **Public Welfare Trust Fund** accounts for the administration of a broad range of social and protective services programs that provide financial assistance to individuals. Revenues restricted to the fund include federal revenues, property taxes, and liquor and wine taxes.

The State reports four major enterprise funds. The **Unemployment Compensation Trust** accounts for the activities of the federal unemployment insurance program including employer contributions, Federal Unemployment Trust advances, and benefit claims to the unemployed. The **State Port Authority** was created to engage in promoting, developing, constructing, maintaining, and operating harbors, seaports, and river ports within the State of Alabama. The **Alabama Community College System** accounts for the revenues and expenses of the State's Community and Technical Colleges, the Alabama Technology Network, and Marion Military Institute. The **Alcoholic Beverage Control Board** was created to control alcoholic beverages through distribution, licensing, and enforcement.

b. Nonmajor Funds
The State reports a number of nonmajor governmental funds, proprietary funds, and fiduciary funds.

Governmental Fund Types:
Special Revenue Funds account for the proceeds of specific revenue resources that are restricted or committed to specified purposes other than debt service or capital projects. Examples include public health, education, and corrections.

Debt Service Funds account for financial resources that are restricted, committed or assigned to expenditure for governmental debt principal and interest.

Capital Projects Funds account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition, construction, and improvement of major general governmental capital assets.

Permanent Funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizenry.

Proprietary Fund Types:
Enterprise Funds report the activities for which fees are charged to external users for goods or services such as health insurance.

Internal Service Funds provide goods or services primarily to other agencies or funds of the State, rather than to the general public. Examples include information technology, telecommunications, office building rentals, and the State Motor Pool. In the government-wide statements, internal service funds are included with governmental activities. Eliminations have been made to minimize the double counting of internal activity, including internal service fund type activity on the government-wide financial statements.

Fiduciary Fund Types:
Pension and Other Employee Benefit Trust Funds account for resources that are restricted or held in trust for the members and beneficiaries of the State's defined benefit pension plans, deferred compensation plans, individual retirement accounts, post-employment health care plans, and flexible employees' benefit plans. The defined benefit pension plans include plans for state employees, state police, some city and county employees, teachers, judges, peace officers, state dock employees, and circuit clerks of the courts.

Private Purpose Trust Funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The State's largest private purpose funds are education related for either college tuition benefits or local public schools. There are three endowment funds established by private citizens that the State manages as trustee for local school systems and reports as Local Education Endowments. The Foundation for Local Schools was established so that the Retirement Systems of Alabama can use its investing expertise to get maximum return on investments for numerous small local school foundations and trusts.

Agency Funds report assets and liabilities for deposits and investments entrusted to the State as an agent for others. The State has agency funds that account for some taxes collected, payroll withholdings, child support payments, cash bonds, and other purposes.

D. Fiscal Year

The State fiscal year ends on September 30. One nonmajor component unit, the Alabama Space Science Exhibit Commission, has the power to set its own fiscal year (*Code of Alabama 1975*, Section 41-10-307, as amended). The Commission has set its fiscal year to end on the last Sunday in September. The difference in fiscal years has no material effect on the financial statements.

E. Assets, Liabilities, Deferred Outflows and Deferred Inflows, and Net Position and Fund Balances

1. Cash and Cash Equivalents

Cash and Cash Equivalents, as reported on the financial statements (the government-wide and the fund financial statements), are under the control of the State Treasurer or other administrative bodies as determined by law. The cash in all funds operating from the State Treasury is pooled as treasury cash and invested by the State Treasurer. The State Treasurer has statutory authority to deposit treasury cash in any available bank product in any bank or savings association that is a qualified public depository and that has been designated as a state depository according to law, so long as the bank or savings association agrees to pay interest on the money. Also, the State Treasurer may invest in 1) bonds, notes, or treasury bills of the United States or in obligations of any agency or instrumentality of the United States of America, including but not limited to the Federal Land Bank, Federal Home Loan Bank, Federal National Mortgage Association, Federal Intermediate Credit Bank, banks for cooperatives, Resolution Trust Corporation, or any of its other agencies, or in any other obligations guaranteed as to principal and interest by the United States, or in money market mutual funds which invest solely in securities otherwise authorized by law; 2) obligations of the United States or its agencies under a repurchase agreement for a shorter time than the maturity date of the security itself; and 3) commercial paper with the highest quality credit rating at the time of purchase and in banker's acceptances. All of the cash and investments in the State Treasury cash management pool are reported as cash and cash equivalents because the pool is used essentially as a demand deposit account. Commercial paper is reported as an investment regardless of the original maturity date. For funds operating outside the State Treasury, cash and cash equivalents generally include demand deposit accounts, petty cash accounts, and short-term, highly liquid investments with a maturity date of three months or less when purchased.

2. Receivables

In the government-wide and governmental fund financial statements the largest receivables are amounts due from other governments. More than half is due from local governments, primarily for long term loans made by the Alabama Public School and College Authority. The rest consists of grants and reimbursements due from the federal government where collectability is reasonably assured. All receivables are recorded net of allowance for uncollectible accounts.

The second largest receivables are taxes receivable, the largest of which are for income taxes, general sales taxes, utility taxes, insurance premium taxes, general use taxes, gasoline taxes, motor fuels taxes, oil and gas production privilege tax, and property taxes as required by GASB Statement 33.

The property tax calendar for the State is simple. The levy date, the assessment date, and the lien date are all the same date – October 1. On October 1, the assessed value of all property is multiplied by the applicable rates to levy the property tax. On that date, the State has a lien (a legal claim) against the property. The property tax is not due until October 1 the following year. The property tax is paid in arrears between October 1 and December 31. After December 31, it is delinquent.

The most significant Accounts Receivable is recorded in the Alabama Trust Fund for oil and gas royalties earned on natural gas produced in Alabama's offshore waters. The primary government has minimal amounts of Notes and Loans Receivable; as such agreements would constitute an illegal extension of credit by the State for any fund operating from the State Treasury. Investment Sales Receivable consists of amounts receivable for investments sold but the transaction was not settled before year-end.

For component units, the largest portion of Mortgages, Notes, and Loans Receivable consists of loans made by the Alabama Housing Finance Authority. The mortgage loans of the Authority are carried at their unpaid principal balances less an allowance for loan losses. Also included in this category are student loans owed to various Universities. The loans are reported net of an allowance for uncollectible loans.

Due from Other Governments as reported for the component units consists almost entirely of amounts owed by local governments. Most of the amount consists of loans made to local governments by the Water Pollution Control and Drinking Water Finance Authorities. Accounts Receivable as reported for the component units are comprised primarily of amounts owed to universities.

3. Interfund Activity and Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as either Due To Other Funds or Due From Other Funds. Any residual balances outstanding between the governmental activities and

business-type activities are reported in the government-wide financial statements as Internal Balances. Receivables and payables involving fiduciary funds are presented as accounts payable or receivable on the government-wide Statement of Net Position.

Eliminations have been made to minimize the double-counting of internal activity, including internal service fund type activity on the government-wide financial statements. However, interfund services, provided and used between different functions, have not been eliminated in order to avoid distorting the direct costs and program revenues of the applicable functions. Transfers between governmental and business-type activities are reported at the net amount on the government-wide financial statements.

In the fund financial statements, transactions for services rendered by one fund to another are treated as revenues of the recipient fund and expenditures/expenses of the disbursing fund. Reimbursements of expenditures/expenses made by one fund for another are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the reimbursed fund. Transfers represent flows of assets between funds of the primary government without equivalent flows of assets in return and without a requirement for payment.

4. Inventories

Inventories of supplies in governmental fund financial statements are reported at cost using the purchases method. An inventory asset account is reported on the balance sheet with an offset to Nonspendable Fund Balance. Inventories of materials and supplies on proprietary fund financial statements are determined by both physical counts and through perpetual inventory systems and are valued at the lower of cost or market. Valuation methods used on the proprietary and governmental fund financial statements include first-in first-out, average cost, weighted average, and retail inventory method.

5. Investments

Investments as reported on the Statement of Net Position include long-term investments. As required by GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", most investments are recorded at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Short-term investments are reported at cost, which approximates fair value. Mortgage-backed securities are reported based on future principal and interest payments discounted at the current interest rate for similar instruments. The fair value of real estate investments held by pension plans and endowments is based on independent appraisals. Real estate investments held by Risk Management, an internal service fund, are reported at cost less accumulated depreciation and less an allowance for any impairment in value.

6. Restricted Assets

Assets required to be held and/or used as specified in bond covenants, other debt agreements, donor specifications, and court settlements have been recorded as "Restricted Assets." These assets consist primarily of cash and cash equivalents, U.S. Treasury obligations, certificates of deposit and mutual funds.

7. Capital Assets

Capital assets, including buildings, land, equipment, intangibles, and infrastructure (e.g., roads and bridges), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Most capital assets are defined by the State as having an initial cost of at least $15,000 and have initial useful lives extending beyond a single reporting period. Real Property must have an initial cost of at least $250,000. Software and other intangibles must have an initial cost of at least $1,000,000. Proprietary funds can set lower thresholds in accordance with business needs. Capitalized assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Improvements Other than Buildings	25
Equipment	5-12
Software	10

Land, infrastructure, construction in progress and historical artifacts are not depreciated. The State has elected to apply the modified approach to accounting for infrastructure (e.g., roadways, bridges, and tunnels). Under this approach, the infrastructure assets are not depreciated because the State is committed to maintaining the assets at a minimum condition level that the Department of Transportation (ALDOT) has determined to be adequate to meet the needs of the citizens. Costs for maintenance and preservation are expensed in the period incurred. Additions and improvements are capitalized. The ALDOT maintains an inventory of all infrastructure assets and performs regular condition assessments of those assets to establish that they are in fact being maintained at or

above the condition level established. ALDOT also makes an annual estimate of the cost necessary to maintain and preserve those infrastructure assets at the target condition level. The cost of infrastructure reported includes historical costs from 1980 to the present as required by GASB Statement No. 34 as well as historical costs preceding 1980.

Extensive project documentation is required to meet various Federal and State guidelines concerning the construction of infrastructure. The completeness of this documentation affects the timing of project capitalization. The State capitalizes road and bridge infrastructure annually when all costs for a project are incurred and all project documentation is satisfactorily completed, filed and accepted with the appropriate entities. Projects that meet the cost and documentation criteria are closed and appropriate entries are made to adjust the Infrastructure Construction in Progress and Infrastructure asset accounts annually. Due to the documentation requirements, there can be substantial time lags between the date a project is put into service on the State's roadway network and the date the project is capitalized. A significant portion of Infrastructure Construction in Progress consists of projects that have been put into service and maintenance costs could have been incurred.

8. Compensated Absences

Employees in permanent positions accrue annual leave at a rate of four hours and twenty minutes to nine hours and forty-five minutes semi-monthly, depending upon their length of service. Upon separation from service, an eligible employee is paid for the actual number of annual leave days he has earned, up to a maximum of sixty days, with the amount being computed on the basis of his daily pay rate at time of separation multiplied by the number of days leave due.

Sick leave is accrued at a rate of four hours and twenty minutes semi-monthly. Employees may accumulate up to a maximum of 150 days sick leave. Employees may be compensated for one-half of the maximum accrued sick leave only upon retirement from state service. The employee must have twenty-five years of service or have attained the age of 60 and have ten years of service to be eligible to retire. State Troopers must have twenty-five years of service or have attained the age of 52 and have ten years of service to be eligible to retire. If a state employee in the classified service dies while in active service to the State, the estate of the deceased employee receives a payment of fifty percent of the accrued and unused sick leave, not to exceed 600 hours, which the employee was credited with at the time of his or her death.

The monetary value of accumulated annual and sick leave payable upon termination or retirement is included in the government-wide statement of net position, proprietary fund financial statements, and fiduciary fund financial statements. In the governmental fund financial statements, amounts reported are for unused, matured leave amounts payable to employees whose employment was terminated by September 30. These amounts are paid to the employees during the first month after the end of the fiscal year so those actual payments were used to compute the amount payable. Amounts not payable from expendable available resources (long-term liabilities) are reported in the government-wide Statement of Net Position.

The liability for compensated absences was computed using salary rates effective at fiscal year-end including the employer's share of social security and Medicare taxes payable and represents annual and sick leave earned up to the allowable ceilings. The sick leave is calculated separately for vested and non-vested employees. Sick leave is subjected to an actuarially determined probability multiplier that the employee will remain to retire and collect sick leave. The probability multipliers are as follows:

	Vested	Non-vested
Public Education Employees	85.2%	49.5%
State Employees	79.7	37.1

9. Long-Term Obligations

Long-term debt is recognized as a liability in governmental fund financial statements when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a liability in governmental fund financial statements. The remaining portion of such obligations is reported in the government-wide financial statements. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds in the proprietary fund financial statements.

10. Deferred Outflows and Deferred Inflows

Deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources in the current period. Deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until then.

11. Net Position and Fund Balances

As discussed previously, net position on the government-wide financial statements and the proprietary fund financial statements are reported in three categories: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position.

Fund balances reported in the governmental fund financial statements are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either 1) not in spendable form, such as inventory and long term receivables; or 2) legally and contractually required to be maintained intact, such as the principal of a permanent fund. Restricted fund balances have constraints placed on the use of the resources that are either 1) externally imposed by creditors, grantors, contributors, or laws of other governments or 2) imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts constrained by formal action of the State's highest decision-making authority. The authorization should have the consent of both the legislative and executive branches of government. Commitments may be changed or lifted only through an equivalent formal high level action. Commitments are not considered to be legally enforceable by an external party. External parties such as citizens or the judiciary can compel the State through legal action to honor restrictions but not commitments. The State does not have any policy or procedure for establishing committed fund balances and none are reported in these financial statements. Assigned fund balances are amounts that are constrained by the government's intent to be used for specific purposes. Assigned fund balances include 1) all remaining non-negative amounts reported in governmental funds other than the General Fund and 2) amounts in the General Fund that are constrained by the State's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the State legislature or by its delegation to a State official. The State Finance Department, under the legal authority of the State Finance Director, has established Fiscal Policies and Procedures which enable agency heads to establish assigned amounts. Unassigned fund balance is the residual classification and only the General Fund can report a positive unassigned fund balance. Negative unassigned fund balance can be reported in any governmental fund if expenditures incurred for specific purposes exceeded the amount restricted, committed or assigned to those purposes.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the State's policy to spend unrestricted fund balance before restricted. Unrestricted fund balance is considered spent in the following order: unassigned, assigned, committed.

F. New Accounting Pronouncements

During the current fiscal year, the State implemented the following new accounting pronouncements:

- GASB Statement No. 68: Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27
- GASB Statement No. 69: Government Combinations and Disposals of Government Operations
- GASB Statement No. 71: Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68

NOTE 2 - FUND BALANCES/NET POSITION

A. Restricted Net Position

The Government-wide Statement of Net Position reports $7.6 billion of restricted net position for the primary government, of which $408,250,000 is restricted by enabling legislation.

B. Restatements

Fund Balances and Net Position as of October 1, 2014 have been restated for prior period adjustments necessary to conform to GAAP. Included in those restatements are differences resulting from the implementation of *Governmental Accounting Standards Board Statement 68 (GASB 68),* as amended by *Governmental Accounting Standards Board Statement 71.* GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans administered through trusts. It establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It also identifies methods and assumptions used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The Education Trust Fund was restated $152,631,000 consisting of $48,697,000 for an understatement of taxes receivable and $103,934,000 for an overstatement of tax refunds payable. Nonmajor governmental funds were stated differently by ($93,072,000). That difference consists of ($91,726,000) for an understatement of deferred inflows of resources in the 21st Century Authority

nonmajor special revenue fund, ($945,000) for an overstatement of investments in the Alabama Public School and College Authority nonmajor debt service fund, ($345,000) for an overstatement of cash and cash equivalents in the Corrections Institution Finance Authority nonmajor debt service fund, and ($56,000) for an overstatement of investment sales receivables in the Marine, Game and Fish Endowment Fund, a nonmajor permanent fund.

On the government-wide financial statements, beginning net position for governmental activities was restated from $22,178,047,000 to $19,361,238,000, a decrease of $2,816,809,000. That amount includes all of the restatements discussed in the previous paragraph except for the deferred inflows of resources. Also included in this restatement is ($3,053,169,000) net pension liability and $185,677,000 deferred outflows of resources per *GASB 68* for the government-wide and ($48,679,000) net pension liability and $2,647,000 deferred outflows of resources per *GASB 68* in internal service funds. Net position was also restated ($49,524,000) for an overstatement of capital assets, $4,031,000 for an understatement of cash and cash equivalents, ($30,000) for an understatement of receivables. Net position was further restated by an understatement of long-term debt in the amount of ($9,044,000) for the government-wide.

Beginning net position for business activities was restated from $1,777,992,000 to $1,277,866,000, a change of ($500,126,000). The Alabama College System was restated ($432,587,000), consisting of ($465,485,000) net pension liability and $33,480,000 deferred outflows of resources per *GASB 68,* ($651,000) in capital assets, $1,427,000 in accounts receivable, and ($1,358,000) in cash and cash equivalents. The net position of the State Port Authority was restated ($26,919,000) consisting of $26,802,000 net pension liability, $1,194,000 deferred outflows of resources, and ($1,311,000) net pension asset because of *GASB 68.* The Alcoholic Beverage Control Board was restated ($42,181,000), consisting of $44,097,000 net pension liability and $2,636,000 deferred outflows of resources for *GASB 68*, and ($720,000) capital assets. Nonmajor enterprise funds were stated differently by $1,562,000, which included ($3,980,000) for *GASB 68*, $4,502,000 overstatement of current claims payable and $1,095,000 overstatement of noncurrent claims payable for the State Insurance Fund, and ($55,000) capital assets for the Military Department. The *GASB 68* restatements for nonmajor enterprise funds consists of the following: Fire College and Personnel Standards Commission net pension liability $3,917,000 and $274,000 deferred outflows of resources, Motor Sports Hall of Fame net pension liability $80,000 and deferred outflows of resources $9,000, and Military Department net pension liability $283,000 and deferred outflows of resources $17,000.

Proprietary fund net position was restated from $1,903,016,000 to $1,384,496,000, a change of ($518,520,000). That amount consists of the ($500,126,000) discussed in the previous paragraph along with a change of ($18,394,000) that occurred in internal service funds. The internal service fund restatement consists of $48,679,000 net pension liability and $2,647,000 deferred outflows of resources in *GASB 68* restatements, $23,666,000 capital assets, and $4,001,000 cash and cash equivalents.

Component units were restated from $10,904,302,000 to $7,718,054,000, a change of ($3,186,248,000). Of the total change, ($3,173,707,000) was for *GASB 68* restatements. The University of Alabama, a major component unit, was restated ($1,751,903,000) for *GASB* 68. Auburn University, a major component unit, was restated ($558,574,000) for *GASB 68*. The University of South Alabama, a major component unit, was restated ($313,737,000) for *GASB 68*. The Housing Finance Authority, a major component unit, was restated $2,533,000 for *GASB 68*. The State Employees' Health Insurance, a major component unit, was restated ($6,910,000) for *GASB 68*. The Public Education Employees' Health Insurance, a major component unit, was restated ($2,402,000) for *GASB* 68. Non-major component units were restated ($555,298,000), which included ($542,714,000) for *GASB 68* and $12,584,000 for various other reasons.

Pension and Other Employee Benefit Trust Funds were restated ($20,106,000), consisting of ($27,107,000) for *GASB 68*, and $1,000 Peace Officers Annuity and Benefits capital assets.

Private Purpose Trust Funds were restated $113,000, consisting of $115,000 for an overstatement of other post-employment benefits and ($2,000) for an overstatement of capital assets.

C. Fund Balance/Net Position Deficits

1. Primary Government

The State Port Authority and the Alabama Community College System, both major proprietary funds, had a deficit in unrestricted net position of $16,740,000 and $91,739,000, respectively. These deficits were caused mainly by both agencies accrual of net pension liabilities. The net pension liability for the Port Authority was $26,727,000, and the College System's was $423,441,000.

The Alcoholic Beverage Control Board, a major proprietary fund, had a deficit in unrestricted net position of $73,469,000 with a total net position deficit of $71,716,000. The deficits are largely due to the accrual of liabilities for net pension liability, compensated

absences, salaries payable, other post-employment benefits, and profits currently due to other funds. The Board, by law, operates on a cash basis and is required to distribute 100 percent of its profits as transfers to other funds.

The Medicaid Fund, a major governmental fund, had a deficit unassigned fund balance of $84,838,000. The deficit is the result of the accrual of claims outstanding at September 30, 2015. The expense is recognized in fiscal year 2015 along with a receivable for the federal share of the claims. The State matching money will not be available until fiscal year 2016 when the claims are paid.

The University of South Alabama, a major component unit, had a deficit in unrestricted net position of $60,695,000 due to an accrued net pension liability of $297,734,000. The University had a positive balance in total net position of $555,584,000.

The Telecommunications Fund, an internal service fund, had a deficit in unrestricted net position of $19,202,000 as well as a negative total net position of $18,806,000. The fund accrued a net pension liability of $20,683,000, resulting in the negative balances.

Correctional Industries, an internal service fund, had a deficit in unrestricted net position of $913,000 due to a net pension liability accrual of $5,366,000. The total net position was a positive $1,181,000.

The Motorsports Hall of Fame, a nonmajor enterprise fund, had a deficit in unrestricted net position of $117,000. The deficit is comprised of a compensated absences accrual of $10,000, an other post-employments benefits accrual of $33,000, and an accrual for net pension liability of $72,000.

2. Component Units

The following nonmajor component unit institutions had deficits in unrestricted net position driven by accruals of net pension liability: Alabama State University had a deficit of $67,752,000, with a net pension liability accrual of $73,603,000. Alabama Agricultural and Mechanical University had a deficit of $60,972,000, with a net pension liability accrual of $65,496,000. Jacksonville State University had a deficit of $26,313,000 and a net pension liability accrual of $66,548,000. The University of North Alabama's deficit was $30,919,000 driven by a net pension accrual of $56,228,000. The University of Montevallo had a deficit of $3,740,000 with an associated net pension liability of $34,580,000. The University of West Alabama had a deficit of $15,239,000 with a net pension accrual of $31,342,000, and lastly the Alabama Historical Commission had a deficit in unrestricted net position of $4,457,000 driven by a net pension liability accrual of $5,281,000. All of these institutions had a positive total net position.

The Space and Science Exhibit Commission, a nonmajor component unit, had a deficit in unrestricted net position of $10,123,000. The main factor leading to the negative balance is the Commission's large liability for revenue bonds payable of $10,539,000. The Commission has a positive total net position of $28,967,000.

The following other nonmajor component unit institutions had deficits in unrestricted net position driven by accruals of net pension liability: Alabama Institute for the Deaf and Blind had a deficit of $9,344,000, with a net pension liability accrual of $49,377,000. Athens State University had a deficit of $12,030,000, with a net pension liability of $22,502,000. Marine Environmental Sciences Consortium's deficit was $5,333,000, and their net pension liability was $6,093,000. All of these institutions had positive total net positions.

The Historic Ironworks Commission, an other nonmajor component unit, had a deficit in unrestricted net position of $1,107,000 created by the accrual of other post-employment benefits of $420,000, and a net pension liability accrual of $873,000. However, the fund had a positive balance in overall net position of $1,603,000.

D. Governmental Fund Restricted Fund Balances

(Amounts in Thousands)

Economic Development and Regulation	
Economic Development Incentives	$ 20,415
Economic Regulation Programs	64,855
Total Economic Development and Regulation	85,270
Education and Cultural Resources	
Alabama Public School and College Authority	147,985
Local Schools	43,152
Industrial Training	44,846
Education Trust Fund	465,924
Other	24,195
Total Education and Cultural Resources	726,102
Natural Resources and Recreation	
Department of Conservation	38,398
Forever Wild Land Trust	26,871
Forever Wild Stewardship	29,378
Tourism and Other	8,490
Total Natural Resources and Recreation	103,137
Health	
Health Department	41,418
Medicaid	18,513
Mental Health	61,096
Environmental Management	47,542
Other	10,038
Total Health	178,607
Social Services	
Department of Human Resources	73,190
Rehabilitation Services	23,230
Veterans	110,932
Employment Security	21,554
Other	10,289
Total Social Services	239,195
Protection of Persons and Property	
Professional and Occupational Licensing	54,982
Law Enforcement and Investigations	56,890
Agricultural Products Oversight	15,540
Correctional Programss	20,422
Youth Services	15,747
911 Service	11,363
Other	44,325
Protection of Persons and Property	219,269
Transportation	
Highway Equipment Replacement	40,551
State Roads and Bridges	432,733
Local Government Transportation Programs	13,760
Airfields	14,268
Total Transportation	501,312
General Government	
County and Municipal Capital Improvements	437,372
Judicial System	20,647
Local Government Programs	46,655
Revenue Department	43,030
Other	79,036
Total General Government	626,740

E. Education Trust Fund Budget Stabilization Fund

The Rolling Reserve Act (Act 2011-003, as amended by Act 2015-538) created an Education Trust Fund Budget Stabilization Fund. This fund will generally be used to reduce any future proration in the Education Trust Fund (ETF). After the Education Trust Fund Rainy Day Account within the Alabama Trust Fund has been repaid in full, the ETF Budget Stabilization Fund and the ETF Advancement and Technology Fund will receive money when the ETF has revenues in excess of an appropriation cap defined in the Act. The cap is the sum of recurring revenues deposited into the ETF in the last completed fiscal year preceding the calculation year adjusted up or down by: (1) the average annual percentage change in recurring revenues for the 14 highest of the 15 completed fiscal years preceding the date on which the calculation is made; (2) if legislation is enacted that will increase recurring revenues deposited into the ETF, an amount equal to 95 percent of the fiscal note attached to the legislative act is added to the cap; (3) if legislation is enacted that will decrease recurring revenues deposited into the ETF, the negative impact, based on the enacted fiscal note is subtracted from the cap; (4) any nonrecurring revenue; and (5) the amount required to be appropriated from the ETF to the Prepaid Affordable College Tuition Trust Fund. The Finance Director and the Legislative Fiscal Officer must certify their computation of the cap at the same time as the certification required by Amendment 803 to the Constitution of Alabama of 1901 (prior to the third day of each Regular Session). The Legislature may appropriate from the ETF Budget Stabilization Fund an amount equal to the difference between the preceding fiscal year's total appropriations from the ETF and the cap. Except as provided in the previous sentence, amounts in the ETF Budget Stabilization Fund may be withdrawn only to prevent proration in the ETF. The Governor must certify to the State Comptroller and notify the Legislature that proration would occur in the ETF before funds may be withdrawn. The ETF Budget Stabilization Fund has a zero balance at the end of fiscal year 2015 because revenues in excess of the appropriation cap are being used to repay the ETF Rainy Day Account.

NOTE 3 - ASSETS

A. Cash Deposits

The State Treasurer has statutory authority to deposit treasury cash in any available bank product in any bank or savings association that is a qualified public depository and that has been designated as a state depository according to law.

Bank deposits of both the primary government and its component units are entirely insured by Federal depository insurance or protected under the Security for Alabama Funds Enhancement (SAFE) Program. The *Code of Alabama 1975,* as amended, requires all State organizations, including component units, to deposit monies in a bank that participates in the SAFE Program. The SAFE Program is a multiple financial institution collateral pool. The SAFE Program requires State treasury cash to be deposited in a financial institution designated by the State Treasurer as a qualified public depository. Each qualified public depository is required to pledge collateral in accordance with the rules established by the SAFE Board of Directors. In the event that a qualified public depository defaults or becomes insolvent and the pledged collateral is insufficient to satisfy the claims of public depositors, the *Code of Alabama 1975,* Section 41-14A-9(3) authorizes the State Treasurer to make assessments against the other qualified public depositories in the pool so that there will be no loss of public funds. Also, all other public funds not managed by the State Treasurer are required to be deposited in a qualified public depository or placed through a qualified public depository which arranges for the funds to be deposited in federally insured banks or savings associations so that the funds and accrued interest earned on them are fully insured by the Federal Deposit Insurance Corporation and, at the same time, the qualified public depository receives or is credited with deposits from other banks or savings associations in an amount equal to or greater than the amount it arranged to be deposited in other banks and savings associations.

B. Investments

Investments are made in accordance with the statutes creating the various agencies of the State of Alabama. The following describes the investments made by the major investing agencies of the State:

1. Primary Government

State Treasurer - The State Treasurer may legally invest state funds in 1) bonds, notes, or treasury bills of the United States or in obligations of any agency or instrumentality of the United States of America, including but not limited to the Federal Land Bank, Federal Home Loan Bank, Federal National Mortgage Association, Federal Intermediate Credit Bank, banks for cooperatives, Resolution Trust Corporation, or any of its other agencies, or in any other obligations guaranteed as to principal and interest by the United States, or in money market mutual funds which invest solely in securities otherwise authorized by law; 2) obligations of the United States or its agencies under a repurchase agreement for a shorter time than the maturity date of the security itself; 3)

commercial paper with the highest quality credit rating at the time of purchase and in bankers' acceptances; and 4) interest earning bank deposits.

Alabama Trust Fund – Investments are limited to those authorized by law for the Retirement Systems of Alabama. The investments authorized for the Retirement Systems are described later in this section.

Prepaid Affordable College Tuition (PACT) Program - The State is responsible for the management of the investments of the PACT program, although the investments are not property of the State. The funds may be invested in any instrument, obligation, security or property that constitutes legal investments for investment of public funds in the State, including legal investments of the State Treasurer and the Alabama Trust Fund that are deemed most appropriate by the PACT Board.

Alabama College Education Savings (ACES) Plan – The Board of Trustees administers the program. The Board of Trustees has entered into a contract with UBT 529 Fund Services (Union Bank), a division of Union Bank and Trust Company. Union Bank is the Program Manager and the Board of Trustees has delegated day to day administration to the State Treasurer. The investment alternatives are made available through investment portfolios each of which represents a separate, segregated portfolio of investments in mutual funds.

2. Fiduciary Funds

Retirement Systems of Alabama (RSA) - The RSA administers the Teachers' Retirement System (TRS), Employees' Retirement System (ERS), and Judicial Retirement Fund (JRF). RSA may invest in any types of investments that the Board of Control of each individual system approves. Each Board is limited only by the "Prudent Man Rule" which requires it to use due care, skill, prudence, and diligence under the prevailing circumstances that a prudent man acting in a like capacity and familiar with such matters would use in investing.

Deferred Compensation Plan (RSA-1) – A deferred compensation plan is administered by the Retirement Systems of Alabama (RSA). The plan is named the Public Employees' Individual Retirement Account/Deferred Compensation Plan, and is commonly referred to as RSA-1. By law, RSA-1 investments are made under the same rules, regulations, conditions, and guidelines governing the RSA.

3. Component Units

Alabama Housing Finance Authority - The Authority is authorized to invest in bonds or other obligations issued or guaranteed by the U.S. Government, or any agency thereof, or the State of Alabama. In addition, the Authority may invest in interest-bearing bank and savings and loan association deposits, any obligations in which a State-chartered savings and loan association may invest its funds, any agreement to repurchase any of the foregoing, or any combination thereof. Each of the trust indentures established under the Authority's mortgage revenue bond programs contain further restrictions on the investment of non-expended bond proceeds; however, each trust indenture must be consistent with the Authority's authorizing legislation with respect to the definition of eligible investments. The Authority's program investments consist of Government National Mortgage Association (GNMA) or Federal National Mortgage Association (FNMA) pass-through certificates, all of which are pledged as security for the mortgage revenue bonds.

Other investments include temporary and debt service reserve funds established under the provisions of various trust indentures, and investments of the Authority's general and housing assistance funds.

Investments Made by Colleges and Universities - The colleges and universities invest funds in accordance with the applicable limits set forth in the gift instruments, Board of Trustees guidelines, or other applicable laws. Certain bond indentures require that the bond funds invest all amounts in federal securities or eligible certificates. In accordance with GASB Statement No. 31, most investments are stated at fair value.

The State's investments at September 30, 2015, are as follows:

Investment Types and Fair Value
(Amounts in Thousands)

Investment Types	Governmental Activities	Business-Type Activities	Fiduciary Funds (including Fiduciary Component Units)	Discretely Presented Component Units
U S Treasury Strips	$ 1,335	$ 2,167	$ 70	$ 1,657
U S Government Guaranteed Securities	822,233	12,330	1,651,137	647,033
U S Agency Securities	267,259	20,411	414,656	934,305
State and Local Government Securities	8,293	160	7,310	30,204
Mortgage Backed Securities	414,338	2,343	938,740	435,301
Commercial Paper	33,918	-	406,720	120,393
Corporate Bonds	482,874	6,046	2,583,792	284,046
Private Placements	4,810	-	3,643,087	48,615
Repurchase Agreements	82,565	13,723	-	-
International Bonds	17,984	-	-	135,602
Bond Mutual Funds	11,461	-	1,252,157	743,290
Domestic Equities	962,868	25,601	17,810,279	696,739
International Equities	443,921	515	4,063,875	14,103
Other Mutual Funds	16,929	22,911	1,033,635	2,286,199
Real Estate	247,354	9,314	3,285,753	358,416
Commingled Funds	585,742	4,004	-	40,731
Derivative Instruments	-	-	-	1,176
Guaranteed Investment Contracts	80,561	-	242,874	4,520
	$ 4,484,444	$ 119,525	$ 37,334,085	$ 6,782,330
Reconciliation to the Government-wide Statement of Net Position and Statement of Fiduciary Net Position				
Investments Per Investment Note	$ 4,484,444	$ 119,525	$ 37,334,085	$ 6,782,330
Certificates of Deposit †	33,487	78,140	767	31,774
Money Market Accounts - Savings †	325,105	30,453	11,075	195,716
Other Cash Equivalents †	(1,338,080)	10,910	(60,817)	(54,908)
Investments Classified as Restricted Assets †	(3,107)	-	-	-
Repurchase Agreements ††	(82,565)	-	-	-
Foundations and pooled investments §	-	-	-	119,858
Investments per Statements	$ 3,419,283	$ 239,028	$ 37,285,109	$ 7,074,770

† Investment types not required to be presented in the investment credit note.

†† Short-term repurchase agreements are included as cash equivalents; however these investments are subject to investment risk disclosures.

§ University foundations follow the investment reporting requirements of the FASB and are not subject to GASB disclosure requirements. For this reason some of the investment information is not available. Also, investments of affiliated entities are included in an investment pool. The investment information that is available is being disclosed.

C. Investment Risks

1. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Nationally recognized statistical rating organizations provide ratings of debt securities quality based on a variety of factors, such as the financial condition of the issuers, which provide investors with some idea of the issuer's ability to meet its obligations.
The ratings of the State's investments as of September 30, 2015 are presented below.

Ratings of Fixed Maturities (Amounts in Thousands)

Moody's	Standard & Poor's	Governmental Activities	Business-Type Activities	RSA Fiduciary Component Units	Other Fiduciary Funds	Component Units
Aaa		$ 549,336	$ 20,245	$ 1,891,816	$ 966,155	$ 694,113
	AAA	5,845	-	-	242,479	88,996
Aa1		11,697	206	30,753	88,412	1,556
	AA+	2,722	328	-	138	-
Aa2		6,397	623	19,288	8,981	12,155
	AA	12,329	-	-	672	69,139
Aa3		10,923	785	51,579	11,363	1,371
	AA-	796	-	-	1,791	-
Aa		-	-	-	350	829,975
A1		21,269	988	159,563	68,073	13,785
	A+	1,402	-	-	-	-
A2		26,207	1,126	95,304	42,061	13,916
	A	5,918	94	-	-	124,205
A3		41,502	923	313,523	117,285	4,748
	A-	9,872	-	-	-	-
A		-	92	-	1,091	4,965
P1		4,923	-	693,165	96,384	6,033
P2		33,918	-	340,983	65,737	120,293
Baa1		53,138	611	363,673	147,748	4,401
	BBB+	14,955	-	-	-	-
Baa2		64,523	253	398,031	153,043	5,635
	BBB	5,526	-	-	10,008	98,377
Baa3		62,241	14	194,206	84,420	3,624
	BBB-	7,721	-	-	-	-
Baa		-	-	-	121	-
Ba1		24,486	-	36,893	17,930	791
	BB+	1,384	-	-	-	-
Ba2		16,051	7	37,616	14,189	501
	BB	15,932	-	-	-	22,435
Ba3		16,038	-	-	-	-
	BB-	30,987	-	-	-	-
B1		33,760	-	-	-	-
	B+	10	-	-	-	-
B2		2,827	-	-	-	-
	B	587	-	-	3,520	8,966
B3		4,829	-	-	-	-
	B-	285	-	-	-	-
B		-	-	-	-	430
Caa1		1,338	-	-	-	-
Caa2		3,039	-	10,503	2,980	49
	CCC	24	-	-	-	-
Caa3		1,699	-	-	-	-
	CC	256	-	-	-	-
Ca		936	-	-	-	-
	C	-	-	-	-	4,060
C		298	-	-	-	-
	D	416	-	-	-	-
U S Govt Guaranteed Securities §		993,603	16,630	-	130,505	453,155
Not Rated †		45,125	14,254	3,700,422	527,789	748,663
		$ 2,147,070	$ 57,179	$ 8,337,318	$ 2,803,225	$ 3,336,337

§ U S Govt rated Aaa (Moody's) and AA+ (Standard & Poor's)

† Consists primarily of private placements and bond mutual funds that are not rated.

The investments allowed for Treasury monies are U.S. government or agency securities, repurchase agreements backed by U.S government or U.S. government agency securities, or mutual funds investing in U.S government or U.S. government agency securities. The U.S. government and U.S. government agency securities are rated Aaa or AA+. Bond mutual funds may or may not be rated.

As mentioned earlier the investments of the Alabama Trust Fund are limited to those authorized for the Retirement Systems of Alabama. Domestic fixed-maturity investments may consist of rated or non-rated securities. International fixed-maturity investments may consist of securities with a rating of at least A by one of the principal rating agencies at the time of purchase or acquisition, except that up to 2 percent of the fair value of each System's total portfolio may be invested in obligations of sovereign countries with a rating of BBB or BAA at the time of purchase. The Systems may hedge against the possible adverse effects of currency fluctuations on each System's portfolio of international fixed income obligations when it is considered appropriate. Short-term investments may consist of commercial paper rated at least A-2 and/or P-2, repurchase agreements, short-term U.S. securities, and other money market investments.

2. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of those investments. The Treasurer's Office investment guidelines state that the maximum effective maturity of any purchase will be five years. Market accepted average life at time of purchase shall be used in lieu of final maturity for the purpose of maturity acceptability of mortgage-backed securities. Average effective duration should be plus or minus 30 percent of the index duration. The majority of the portfolio is benchmarked against the Barclays Capital 1 - 3 Year Government Index.

The fair value of fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair value of those instruments. The fair value of interest sensitive instruments may also be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, and other general market conditions. Certain fixed maturity investments have call provisions that could result in shorter maturity periods.

The investment policy of the Alabama Trust Fund states that the fixed income portfolio's average duration is not to exceed 1.5 times that of the benchmark index.

As of September 30, 2015 the State had the following investments and maturities:

Governmental Activities
(Amounts in Thousands)

	Maturity in Years at Fair Value				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total Fair Value**
U S Treasury Strips	$ 70	$ 1,264	$ -	$ -	$ 1,334
Other U S Government Guaranteed Securities	85,766	623,349	54,946	58,173	822,234
U S Agency Securities	25,131	205,258	3,241	33,630	267,260
State and Local Government Securities	1,627	-	463	6,203	8,293
Mortgage Backed Securities	1,533	81,520	25,682	305,603	414,338
Commercial Paper	33,918	-	-	-	33,918
Corporate Bonds	22,623	97,372	209,010	153,869	482,874
Repurchase Agreements	82,564	-	-	-	82,564
International Bonds	-	3,315	9,566	5,103	17,984
Private Placements	-	865	671	3,274	4,810
Bond Mutual Funds	7,745	-	3,716	-	11,461
Total	**$ 260,977**	**$ 1,012,943**	**$ 307,295**	**$ 565,855**	**$ 2,147,070**

Business-Type Activities
(Amounts in Thousands)

Investment Type	Maturity in Years at Fair Value: Less Than 1	1-5	6-10	More Than 10	Total Fair Value
U S Treasury Strips	$ -	$ 2,167	$ -	$ -	$ 2,167
U S Government Guaranteed Securities	1,933	9,026	1,349	23	12,331
U S Agency Securities	982	16,155	3,214	60	20,411
State and Local Government Securities	-	160	-	-	160
Mortgage Backed Securities	-	1,257	111	974	2,342
Repurchase Agreements	-	13,723	-	-	13,723
Corporate Bonds	990	4,866	117	72	6,045
Total	**$ 3,905**	**$ 47,354**	**$ 4,791**	**$ 1,129**	**$ 57,179**

Retirement Systems of Alabama
(Fiduciary Component Units)
(Amounts in Thousands)

Investment Type	Maturity in Years at Fair Value: Less Than 1	1-5	6-10	More Than 10	Total Fair Value
U S Government Guaranteed Securities	$ -	$ 406,104	$ 478,545	$ 98,299	$ 982,948
U S Agency Securities	10	192,910	85,680	-	278,600
Mortgage Backed Securities	40,177	16,745	3,154	578,271	638,347
Commercial Paper	340,983	-	-	-	340,983
Corporate Bonds	127,859	833,943	366,937	440,732	1,769,471
Private Placements	76,772	101,860	133,476	3,321,697	3,633,805
Bond Mutual Funds	693,165	-	-	-	693,165
Total	**$ 1,278,966**	**$ 1,551,562**	**$ 1,067,792**	**$ 4,438,999**	**$ 8,337,319**

Other Fiduciary Funds
(Amounts in Thousands)

	Maturity in Years at Fair Value				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total Fair Value**
U S Treasury Strips	$ -	$ 70	$ -	$ -	$ 70
U S Government Guaranteed Securities	77,899	261,283	276,258	52,748	668,188
U S Agency Securities	708	90,684	43,895	769	136,056
State and Local Government Securities	1,000	1,260	2,850	2,200	7,310
Mortgage Backed Securities	148	11,353	3,130	285,762	300,393
Commercial Paper	65,737	-	-	-	65,737
Corporate Bonds	155,189	324,837	170,353	163,942	814,321
Private Placements	266	2,582	-	6,435	9,283
Bond Mutual Funds	173,156	228,678	157,158	-	558,992
Guaranteed Investment Contracts	242,875	-	-	-	242,875
Total	**$ 716,978**	**$ 920,747**	**$ 653,644**	**$ 511,856**	**$ 2,803,225**

Discretely Presented Component Units (excluding University of Alabama)
(Amounts in Thousands)

	Maturity in Years at Fair Value				
Investment Type	**Less Than 1**	**1-5**	**6-10**	**More Than 10**	**Total Fair Value**
U S Treasury Strips	$ -	$ 164	$ 14	$ 1,480	$ 1,658
Other U S Government Guaranteed Securities	34,866	313,915	22,911	6,986	378,678
U S Agency Securities	12,899	802,306	81,466	37,635	934,306
State and Local Government Securities	516	9,997	9,860	9,830	30,203
Mortgage Backed Securities	75	4,742	6,965	246,288	258,070
Commercial Paper	120,293	-	-	-	120,293
Corporate Bonds	1,790	13,267	7,420	6,112	28,589
Guaranteed Investment Contracts	-	-	4,465	-	4,465
International Bonds	583	260	188	109	1,140
Bond Mutual Funds	70,655	98,919	41,112	677	211,363
Total	**$ 241,677**	**$ 1,243,570**	**$ 174,401**	**$ 309,117**	**$ 1,968,765**

The University of Alabama discloses the interest rate risk for the System Pool using the effective duration method. The prices of fixed income securities with a longer time to maturity, measured by effective duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter durations. Effective duration is the approximate change in price of a security resulting from a 100 basis point (1 percentage point) change in the level of interest rates. It is not a measure of time. The University does not have a specific policy relative to interest rate risk.

University of Alabama System Pool
(Amounts in Thousands)

Investment Type	Fair Value	Effective Duration
Endowment Fund:		
U S Government Guaranteed Securities	$ 11,925	7.3
Corporate Bonds	22,371	4.4
Commingled Bond Funds	86,715	2.4
Non-U.S. Bonds	2,574	-
Long Term Reserve Pool Fund:		
U S Government Guaranteed Securities	17,681	7.2
Corporate Bonds	32,526	4.4
Commingled Bond Funds	89,323	2.1
Non-U.S. Bonds	3,857	-
Short Term Liquidity Pool Fund:		
U S Government Guaranteed Securities	233,057	1.7
Mortgage Backed Securities	155,032	1.1
Collateralized Mortgage Obligations	22,197	0.9
Corporate Bonds	185,112	2.0
Commingled Bond Funds	208,669	2.7
Non-U.S. Bonds	67,421	2.0
Total	**$ 1,138,460**	

3. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The investment policy of the Alabama Trust Fund states that the aggregate market value of international equities is limited to 29 percent of the aggregate market value of the total portfolio with a target of 24 percent of the total portfolio. The exposure to emerging market securities shall be limited to 20 percent of the market value of the international portfolio. Not more than 5 percent of the total stock portfolio may be invested in the common stock of any one corporation at the time of purchase and no more than 7 percent in any one corporation at market. Not more than 5 percent of the outstanding shares of any one company may be held by the portfolio. In addition, no more than the lesser of (2 times the sector weight in the index and 40 percent) valued at market may be held in any one economic sector as defined by the MSCI EAFE (Morgan Stanley Capital International Europe, Australasia, and the Far East) index classifications for developed market portfolios and by MSCI Emerging Markets index classifications for emerging markets portfolios.

In order for an international security to be eligible for purchase by the Retirement Systems of Alabama (RSA), the issuing company must be incorporated in a country whose debt securities are eligible for purchase as discussed earlier, and the fair value of the aggregate outstanding equity of the issuing company must be at least $100 million.

The State's exposure to foreign currency risk at September 30, 2015 was as follows:

Deposits and Investments Exposed to Foreign Currency Risk
(Amounts in Thousands)

	Governmental-Type Activities			Business-Type Activities	RSA (Fiduciary Component Units)	Other Fiduciary Funds	Discretely Presented Component Units	
	Cash	International Equities	International Bond	International Equities	International Equities	International Equities	International Equities	International Bonds
Australian Dollar	$ 101	$ 14,025	$ -	$ 4	$ 218,427	$ 6,752	$ -	$ 76
Brazilian Real	77	3,320	667	-	-	13	-	37
British Pound Sterling	267	103,817	-	98	716,445	25,083	-	175
Canadian Dollar	32	16,566	-	27	-	299	-	300
Chinese Yuan	-	3	464	-	-	546	-	-
Danish Krone	26	6,836	-	-	58,512	2,540	-	-
Emerging Markets	-	-	-	-	459,808	16,949	-	-
Euro	846	111,040	3,284	145	1,022,456	33,490	38	363
Hong Kong Dollar	19	19,831	-	-	110,029	4,004	-	-
Indian Rupee	-	4	-	-	-	169	-	-
Israeli New Shekel	-	630	-	19	23,416	712	-	-
Japanese Yen	553	71,364	-	27	792,812	27,592	-	-
Malaysian Ringgit	-	288	-	-	-	-	-	-
Mexican Peso	-	197	6,927	-	-	-	-	188
New Zealand Dollar	-	-	-	-	2,426	74	-	-
Norwegian Krone	1	1,617	-	2	20,912	676	-	-
Other	-	2	-	104	-	7,507	-	-
Philippine Peso	-	1,118	-	-	-	52	-	-
Russian Rouble	-	-	-	-	-	65	-	-
Singapore Dollar	-	2,559	-	2	44,446	1,333	-	-
South African Rand	-	6	-	-	-	169	-	-
South Korean Won	21	4,993	-	-	-	377	-	-
Swedish Krona	4	16,706	-	-	101,332	3,359	-	-
Swiss Franc	37	37,666	-	63	348,158	12,417	-	-
Taiwan New Dollar	-	7	-	-	-	208	-	-
Thai Baht	32	2,282	-	-	-	52	-	-
Turkish Lira	1	1,848	-	-	-	-	-	-
Totals	**$ 2,017**	**$ 416,725**	**$ 11,342**	**$ 491**	**$ 3,919,179**	**$ 144,438**	**$ 38**	**$ 1,139**

The disclosure does not include some of the International Securities denominated in U.S. dollars.

4. Custodial Credit Risk

For an investment, custodial credit risk is the risk that an entity will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party if the counterparty fails.

State Treasurer – The State Treasurer's custodian, Regions Bank, requires that the securities be held in registered form in the name of its nominee. Regions has established one or more accounts on behalf of the State Treasurer in the name of the State Treasurer

Alabama Trust Fund (ATF) – The ATF's custodian, Bank of New York Mellon (BNYM), provides a portion of the custodial services for the ATF. The ATF's custodial credit risk policy authorizes BNYM to hold securities in registered form in the name of its nominee. The policy requires BNYM to establish and maintain one or more securities accounts (book entry system) in which BNYM will hold the securities. These accounts are in the name of the ATF.

Retirement Systems of Alabama (RSA) – The RSA's custodial credit risk policy requires the custodial agent to hold or direct its agents or sub-custodians to hold, for the account of the RSA all securities and other non-cash property other than securities in the Federal Reserve book-entry system, in a clearing agency which acts as a securities depository, or in another book-entry system. The RSA's safekeeping agent holds all investments of the RSA in the RSA's name with the exception of securities purchased with securities lending cash collateral.

Investments Exposed to Custodial Credit Risk
(Amounts in Thousands)

	Governmental Type Activities	Fiduciary Funds Other Than RSA	Discretely Presented Component Units
U S Treasury Strips	$ -	$ 70	$ -
Other U S Government Guaranteed Securities	11,519	28,800	614
U S Agency Securities	1,999	500	46
State and Local Government Securities	-	7,310	-
Mortgage Backed Securities	3,975	2,635	441
Corporate Bonds	1,505	1,900	1,087
Repurchase Agreements	71,040	-	-
Domestic Equities	3,026	-	1,215
International Equities	-	-	147
Total	**$ 93,064**	**$ 41,215**	**$ 3,550**

5. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of a government's investments with a single issuer. The State of Alabama has investments in U.S. Government obligations which are disclosed in the tables in this note. Standard & Poor's downgraded the rating of the U.S. Government to AA+, however the Moody's rating is still Aaa.

The investment policy of the Alabama Trust Fund states that the investment portfolio shall be diversified by both asset class and within asset classes, by economic sector and industry. For equity investments, the aggregate investment in equity securities of any one issuing corporation shall not exceed 1 percent of the outstanding capital of such corporation. For fixed income investments, the portfolio is to be diversified so that no more than 15 percent is invested in one industry (does not apply to U.S. government and agency securities), and no more than 5 percent of the total fixed income portfolio may be invested in securities of any one corporation. As of September 30, 2015, there were no investments that exceeded the 5 percent of the total fixed income portfolio limit in any one corporation.

The investment policies of the Retirement Systems of Alabama limit the aggregate amount that can be invested in each class of investments. Domestic fixed income, international fixed income, domestic equity, international equity, and short-term investments are limited to 50 percent, 10 percent, 65 percent, 25 percent, and 20 percent, respectively, of the fair value of each System's aggregate portfolio. Also, each System may not purchase or hold more than 5 percent of any class of the outstanding stock of a foreign company. Real estate and alternative investments are limited to 15 percent and 10 percent, respectively, of the book value of each System's portfolio. As of September 30, 2015, the Teachers' Retirement System (TRS) and Employees' Retirement System (ERS) owned debt and equity securities of Raycom Media Corporation which represented approximately 8.99 percent and 9.84 percent, respectively, of the TRS and the ERS investments. Additionally, TRS owned debt and equity securities of New Water Street Corporation which represented 5.21 percent of the TRS investments.
The Public Education Employees' Health Insurance Board (PEEHIB) owned securities in Encana Corporation, Spectra Energy Corporation, and Nabors Industries Ltd. that constituted 58.84 percent, 29.40 percent, and 11.76 percent, respectively, of the total fair value of investments in these issuers. PEEHIB's policies regarding concentration of credit risk are the same as RSA's above.

D. Securities Lending

The Teachers' Retirement System (TRS), the Employees' Retirement System (ERS), and the Judicial Retirement Fund (JRF) are authorized by the Boards of Control to participate in a securities lending program. The Alabama Trust Fund (ATF) investment managers are authorized by the Board of Trustees to engage in securities lending under guidelines established by the ATF Board of

Trustees. The Retirement Systems of Alabama's (RSA) custodian, State Street Bank and Trust Company (State Street), administers the program for the TRS, ERS, JRF, a portion of the program for the ATF, and some other funds of the State. Certain securities are loaned to borrowers approved by the RSA for collateral that will be returned for the same type of securities. Approved borrowers of securities provide acceptable collateral in the form of cash (U.S. and foreign currency), any other assets permissible under Rule 15c3-3 under the Exchange Act of 1934, U.S. and non U.S. equities and such other collateral as the parties may agree to in writing from time to time. All security loans are open loans and can be terminated on demand by the lender or borrower. The initial collateral received shall have (depending on the nature of the loaned securities and the collateral received), a value of 102 percent or 105 percent of the fair value of the loaned securities, or such other value, but not less than 102 percent of the fair value of the loaned securities, as may be applicable in the jurisdiction in which such loaned securities are customarily traded. Pursuant to the terms of the applicable securities loan agreement, State Street shall, in accordance with State Street's reasonable and customary practices, mark loaned securities and collateral to their fair value each business day based upon the fair value of the collateral and the loaned securities at the close of the business employing the most recently available pricing information and shall receive and deliver collateral in order to maintain the value of the collateral at no less than 100 percent of the fair value of the loaned securities. The lender cannot pledge or sell collateral securities received unless the borrower defaults.

Cash collateral for TRS, ERS, and JRF is invested in the State Street Quality D Short-term Investments Fund (QDF). Cash collateral administered by State Street for ATF is invested in the State Street Global Securities Lending Trust (GSLT). Cash collateral investments are matured as needed to fulfill loan obligations. As of September 30, 2015, the average term of the loans secured by QDF was 15, 16, and 27 days, respectively for the TRS, ERS, and JRF. As of September 30, 2015, the average term of the loans secured by GSLT was 1 day for the ATF. Cash collateral investments are matured as needed to fulfill loan obligations. There is no direct matching of the maturities of the loans with the investments made with cash collateral. The following describes the QDF's and the GSLT's guidelines. The Investment Manager (State Street Bank) shall maintain the dollar-weighted average maturity of QDF and GSLT in a manner that the Investment Manager believes is appropriate to the objective of each; provided, that (i) in no event shall any eligible security be acquired with a remaining legal final maturity (i.e., the date on which principal must be repaid) of greater than 18 months, (ii) the Investment Manager shall endeavor to maintain a dollar-weighted average maturity of the QDF and GSLT not to exceed 75 calendar days and (iii) the Investment Manager shall endeavor to maintain a dollar-weighted average maturity to final of the QDF and GSLT not to exceed 180 calendar days. At the time of purchase (i) all eligible securities with maturities of 13 months or less shall (a) be rated at least A1, P1 or F1 by at least any two of the following nationally recognized statistical rating organizations: Standard & Poor's Corp. ("S&P"), Moody's Investor Services, Inc. ("Moody's"), or Fitch, Inc. ("Fitch"), or (b) be determined by the Investment Manager to be of comparable quality and (ii) all eligible securities with maturities in excess of 13 months shall (a) be rated at least A-, A3 or A- by at least any two of S&P, Moody's or Fitch, or (b) be determined by the Investment Manager to be of comparable quality. The QDF and the GSLT may invest up to 10 percent of its assets at time of purchase in commingled vehicles managed by State Street Global Advisors or its affiliates that conform to the Investment Policy Guidelines. The QDF and the GSLT both have duration pools. The duration pools include all asset backed securities (regardless of maturity) and securities of any type with a remaining maturity of 91 days or greater. Each investor owns a specified percentage interest in the duration pool which is redeemable only in kind, not in cash. The duration pools will not make additional investments.

The Bank of New York Mellon (BNYM) administers a portion of the securities lending program for the ATF. Certain securities from ATF are loaned to borrowers approved by the ATF Board of Trustees. Approved borrowers of securities provide acceptable cash collateral in the form of Federal funds or New York Clearing House funds as applicable for a particular loan. All security loans are open loans and can be terminated on demand by the ATF, BNYM, or the borrower. The initial collateral received shall have (i) in the case of loaned securities denominated in United States Dollars, cash collateral in the amount of 102 percent of the market value of the loaned securities or (ii) in the case of loaned securities which are not denominated in United States Dollars, cash collateral in the amount of 105 percent of the market value of the loaned securities. Pursuant to the terms of the applicable securities loan agreement, BNYM shall, in accordance with BNYM's reasonable and customary practices, mark loaned securities to their market value each business day based upon the market value of the loaned securities as of the close of business the preceding business day, employing the most recently available pricing information, and receive and deliver collateral in order to maintain the amount of cash collateral at no less than the collateral requirement. The ATF cannot pledge or sell collateral securities received unless the borrower defaults. As of September 30, 2015, the average term of the loans was 99 days. Cash collateral investments are matured as needed to fulfill loan obligations. All approved investments shall be for the account and risk of ATF. To the extent any loss arising out of approved investments results in a deficiency in the amount of collateral available for return to a borrower, ATF agrees to pay BNYM on demand cash in an amount equal to such deficiency.

The following describes the manner in which BNYM is authorized to invest and reinvest cash collateral for the ATF.

- Securities issued or fully guaranteed by the United States Government and any agency, instrumentality, or establishment of the United States Government ("Government Securities").
- High-grade commercial paper, notes, bonds, and other debt obligations including promissory notes, funding agreements, and guaranteed investment contracts, whether or not registered under the Securities Act of 1933, as amended. Such obligations may have fixed, floating, or variable rate interest payment provisions.
- Asset-backed securities which carry the highest credit rating by S&P or Moody's.
- Certificates of deposit, time deposits and other bank obligations of U.S. banks, their branches and subsidiaries.
- Repurchase and reverse repurchase agreements collateralized by approved investments.
- Securities, units, shares and other participations in money market funds, unregistered short-term investment funds, pools or trusts.
- Government securities have no maturity limit. Fixed rate instruments shall have a maturity of no greater than 13 months. Floating rate instruments rated "A" or "AA" shall have maturities no greater than three years with resets no less frequent than three months. Floating rate instruments rated "AAA" shall have maturities no greater than five years with resets no less frequent than three months.

Investments purchased with cash collateral are held by the custodial agent, but not in the name of the lender. Securities pledged as collateral are held by the custodial agent, but not in the name of the lender. Letters of credit pledged as collateral are issued by the borrower's bank and are irrevocable. The fair value of the securities on loan and the fair value of the collateral pledged by the borrowers are demonstrated in the securities lending table. Since the amounts owed by the State and its component units exceeded the amounts the borrowers owed, there was no credit risk exposure as of September 30, 2015. There were no significant violations of legal or contractual provisions, no borrower or lending agent default losses, and no recoveries of prior period losses during the year.

Securities Lending - Investments Lent and Collateral Received
(Fair Value in Thousands)

Type of Investment Lent	Governmental-Type Activities	Business-Type Activities	RSA Fiduciary Component Units	Other Fiduciary Funds	Discretely Presented Component Units
For Cash Collateral					
Domestic Fixed Maturities	$ 74,472	$ 155	$ 256,763	$ 46,235	$ 1,289
Domestic Equity	138,852	-	2,009,814	180,446	183
International Equity	14,829	-	240,236	2,307	-
Total Lent for Cash Collateral	228,153	155	2,506,813	228,988	1,472
For Non-cash Collateral					
Domestic Fixed Maturities	124,240	2,164	774,615	410,502	14,976
Domestic Equity	27,930	-	1,997,745	123,004	4,749
International Equity	-	-	379,377	6,840	-
Total Lent for Non-Cash Collateral	152,170	2,164	3,151,737	540,346	19,725
Total Securities Lent	**$ 380,323**	**$ 2,319**	**$ 5,658,550**	**$ 769,334**	**$ 21,197**
Type of Collateral Received					
Cash Collateral					
Cash Collateral - Invested in					
State Street Quality D Fund	$ 0	$ 0	$ 2,529,387	$ 128,187	$ 0
State Street Global Securities Lending Trust	34,292	158	-	103,816	1,502
BNYM Investments	199,059	-	-	-	-
Total Cash Collateral	233,351	158	2,529,387	232,003	1,502
Non-Cash Collateral					
For Lent Domestic Fixed Maturities					
Securities Collateral - US Dollars	122,607	2,135	772,249	356,876	15,090
British Pound Sterling	-	-	-	4,326	-
For Lent Domestic Equity Securities					
Securities Collateral					
Canadian Dollars	-	-	8,429	-	-
US Dollars	30,049	-	2,173,856	142,735	5,141
For Lent International Equity Securities					
Securities Collateral					
Euro	188	-	57,157	4,136	-
British Pound Sterling	-	-	95,578	1,330	271
US Dollar	166	-	285,206	66,515	375
Total Non-Cash Collateral	**153,010**	**2,135**	**3,392,475**	**575,918**	**20,877**
Total Collateral Received	**$ 386,361**	**$ 2,293**	**$ 5,921,862**	**$ 807,921**	**$ 22,379**

E. Mortgage-Backed Securities

The State of Alabama invests in mortgage-backed securities to improve yield and adjust the duration of the State's fixed income portfolio. Embedded prepayment options cause these investments to be highly sensitive to changes in interest rates. Prepayments of the underlying assets reduce the total interest payments to be received. Generally, when interest rates fall, obligors tend to prepay the mortgages thus eliminating the stream of interest payments that would have been received under the original amortization schedule. The resulting reduction in cash flow diminishes the fair value of the mortgage-backed securities.

The Alabama Trust Fund (ATF) invests in TBA (to be announced) purchase commitments, pursuant to which it agrees to purchase mortgage-backed securities. The TBA market developed in response to the demands of market participants for more liquidity in trading mortgage-backed securities. The TBA market is essentially a forward or delayed delivery market. The lender, or other market participant, will enter into a forward contract to sell mortgage-backed securities in the TBA market, promising to deliver mortgage-backed securities on the settlement date sometime in the future. At September 30, 2015, the ATF had investments in TBA mortgage-backed securities in the amount of $26,624,000. Included in investment purchases payable on the Statement of Net Position is a liability related to the cost of acquiring these securities. Generally, these securities are closed with a gain or loss prior to settlement. However, the ATF would be obligated for those amounts should the securities be delivered.

F. Capital Assets

Historical costs for infrastructure assets are included in this report. The State elected to include the historical costs of all infrastructure assets, not just assets capitalized since 1980, as required by GASB Statement No. 34. The State capitalizes infrastructure when all costs for a project are incurred and all project documentation is completed and filed with the appropriate entities. Due to the documentation requirements, there can be substantial time lags between the date a project is put into service and the date the project is capitalized. A significant portion of Infrastructure Construction in Progress consists of projects that have been put into service and maintenance costs could have been incurred but the project documentation is not complete. For Business-Type activities, decreases in construction in progress are large relative to increases in buildings because Port Authority constructs some equipment assets.

As of September 30, 2015, the capital assets for the Primary Government and the Component Units are presented in the following three tables:

GOVERNMENTAL-TYPE ACTIVITIES

(Amounts in Thousands)	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 320,962	$ 23,588	$ -	$ 344,550
Historical Exhibits	4,119	39	-	4,158
Construction in progress	197,938	27,736	68,754	156,920
Construction in progress - Infrastructure	4,675,518	282,621	735,483	4,222,656
Infrastructure	14,188,815	735,482	-	14,924,297
Intangible Assets under Development	23,537	25,933	10,520	38,950
Total capital assets not being depreciated	**19,410,889**	**1,095,399**	**814,757**	**19,691,531**
Capital assets being depreciated:				
Buildings	1,641,723	80,548	25,844	1,696,427
Equipment	643,160	70,188	65,029	648,319
Software and Other Intangible Assets	26,201	14,133	663	39,671
Total capital assets being depreciated	**2,311,084**	**164,869**	**91,536**	**2,384,417**
Less accumulated depreciation:				
Buildings	653,928	39,668	19,894	673,702
Equipment	361,019	51,191	46,128	366,082
Software and Other Intangible Assets	4,477	4,591	663	8,405
Total accumulated depreciation	**1,019,424**	**95,450**	**66,685**	**1,048,189**
Total capital assets being depreciated, net	**1,291,660**	**69,419**	**24,851**	**1,336,228**
Governmental-type activities capital assets, net	**$ 20,702,549**	**$ 1,164,818**	**$ 839,608**	**$ 21,027,759**

Depreciation Expense for the current year is charged as follows:

Economic Development and Regulation	$ 5,054
Social Services	6,434
Education and Cultural Resources	4,952
Natural Resources and Recreation	6,974
Health	10,245
General Government	12,646
Protection of Persons and Property	24,511
Transportation	24,634
Total Depreciation Expense	**$ 95,450**

The capital assets for business-type activities are:

BUSINESS-TYPE ACTIVITIES
(Amounts in Thousands)

	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 109,808	$ 2,481	$ 29	$ 112,260
Historical Exhibits	2,350	-	-	2,350
Construction in progress	84,027	69,954	45,663	108,318
Inexhaustible Intangible Assets	10	-	-	10
Total capital assets not being depreciated	**196,195**	**72,435**	**45,692**	**222,938**
Capital assets being depreciated:				
Buildings	1,766,132	39,816	685	1,805,263
Equipment	610,922	31,350	26,670	615,602
Software and Other Intangible Assets	19,346	112	-	19,458
Total capital assets being depreciated	**2,396,400**	**71,278**	**27,355**	**2,440,323**
Less accumulated depreciation				
Buildings	676,344	44,785	300	720,829
Equipment	342,800	27,361	20,318	349,843
Software and Other Intangible Assets	6,166	1,518	-	7,684
Total accumulated depreciation	**1,025,310**	**73,664**	**20,618**	**1,078,356**
Total capital assets being depreciated, net	**1,371,090**	**(2,386)**	**6,737**	**1,361,967**
Business-type activities capital assets, net	**$ 1,567,285**	**$ 70,049**	**$ 52,429**	**$ 1,584,905**

Depreciation Expense for the current year is charged as follows:	
State Port Authority	$ 27,869
Alabama Community College System	43,772
Alcoholic Beverage Control Board	1,311
Other Nonmajor Enterprise Funds	712
Total Depreciation Expense	**$ 73,664**

The capital assets for component units are:

COMPONENT UNITS
(Amounts in Thousands)

	Beginning Balance as Restated	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 300,403	$ 2,846	$ -	$ 303,249
Historical Exhibits	121,061	5,507	223	126,345
Construction in progress	363,393	340,742	381,300	322,835
Total capital assets not being depreciated	**784,857**	**349,095**	**381,523**	**752,429**
Capital assets being depreciated:				
Buildings	8,655,056	582,086	61,211	9,175,931
Equipment	2,207,499	160,926	87,042	2,281,383
Software and Other Intangibles	129,604	5,119	2,436	132,287
Total capital assets being depreciated	**10,992,159**	**748,131**	**150,689**	**11,589,601**
Less accumulated depreciation				
Buildings	2,989,558	249,354	9,776	3,229,136
Equipment	1,673,477	134,140	79,896	1,727,721
Software and Other Intangible Assets	72,229	5,992	2,437	75,784
Total accumulated depreciation	**4,735,264**	**389,486**	**92,109**	**5,032,641**
Total capital assets being depreciated, net	**6,256,895**	**358,645**	**58,580**	**6,556,960**
Component Units capital assets, net	**$ 7,041,752**	**$ 707,740**	**$ 440,103**	**$ 7,309,389**

Depreciation Expense for the current year is charged as follows:	
University of Alabama	$ 223,557
Auburn University	74,870
University of South Alabama	36,209
State Employee Insurance Board	285
Other Nonmajor Component Units	54,565
Total Depreciation Expense	**$ 389,486**

G. Investment Derivatives

Alabama State Port Authority - In December 2002, the Alabama State Port Authority entered into a swaption contract with an investment company in order to monetize potential debt service savings on the Authority's callable 1996 Series bond. The swaption gave the counterparty the option to enter into a variable-to-fixed interest rate swap at a specified future date. The counterparty exercised its option on July 18, 2006 and the interest rate swap commenced on October 1, 2006, with the Authority paying a fixed interest rate (5.38 percent) and the Authority receiving a variable interest rate (67 percent of the one-month LIBOR). The Authority may be exposed to various risks such as credit risk and interest rate risk through the interest rate swap. As the interest rate swap is a liability at September 30, 2015 and 2014, the impact of credit risk is minimized. The swap agreement is based on an amortized notional which was $48,360,000 at September 30, 2015, and expires on October 1, 2021. As of September 30, 2015, the interest rate swap had a negative fair value of approximately $6,954,378 and is included in the Statement of Net Position in Noncurrent Liabilities: Due in More Than One Year as Other Long-Term Liabilities. The $1.2 million increase in fair value is included in investment income in the Statement of Revenues, Expenses, and Changes in Net Position and is included in Charges for Services in the Statement of

Activities. In accordance with the swap agreement, the Authority posted collateral of approximately $7.6 million at September 30, 2015 due to the negative position of the interest rate swap. The interest rate swap value is calculated using an industry accepted option pricing model that uses market interest rates and volatility assumptions on the valuation date. The interest rate and volatility data is used to calculate the present value of the potential future cash flows of the swap.

University of South Alabama - In January 2008, the University of South Alabama entered into a synthetic advance refunding of the outstanding Series 2004 and 2006 bonds with a counterparty. This transaction was effected through the sale of two swaptions by the University to the counterparty. The transactions resulted in an up-front payment to the University totaling $9,328,000, which was recorded as a liability, in exchange for selling the counterparty the option to enter into an interest rate swap with respect to the Series 2004 and 2006 bonds in 2014 and 2016, respectively. The objective of this transaction is to realize debt service savings currently from future debt refunding and create an economic benefit to the University. If the counterparty exercises its options in 2016 related to the 2006 swaption, the University would, at the counterparty's option, be forced into an underlying swap. In December 2013, the counterparty exercised its option with respect to the 2004 swaption. The University refunded its Series 2004 bonds, issued the Series 2014-A variable rate bond and terminated the Series 2004 swaption. As a result of this termination, the borrowing arising from the Series 2004 swaption of $1,696,000 and the investment derivative (liability) of $5,213,000 were written off and an investment loss of $2,229,000 was recognized and reported in the statements of revenues, expenses and changes in net position for the year ended September 30, 2014. An original borrowing arising from the 2015 swap of $9,138,000 was recognized and is reported, net of current year amortization, as long-term debt in the amount of $7,768,000, in the statement of net position at September 30, 2015. If the counterparty exercises its option in 2016 related to the 2006 swaption, the University would, at the counterparty's option, be compelled to enter into an underlying swap. If the option is exercised, the University would begin to make payments on the notional amount, currently $100,000,000 for the 2006 bonds of the underlying swap contract. Simultaneously, the University would call outstanding 2006 bonds and issue variable rate demand notes (VRDNs) in their place. Under the swap contract, the University would pay a fixed rate of 5.0 percent on the 2006 bonds to the counterparty and would receive payments based on 68 percent of the one-month LIBOR index plus 0.25 percent. Alternatively, although it is not anticipated that this option would be to the University's advantage, the University could, at its option, cash settle the swap and retain its right to refund the 2006 bonds. If the interest rate environment is such that the counterparty chooses to not exercise its option related to the 2006 swaption, the swaption would be canceled and the University would have no further obligation under this agreement.

A swaption is considered a hybrid instrument and as such the payment by the counterparty to the University must be bifurcated into two components, a borrowing component and an embedded derivative component, and each component treated separately. The embedded derivative value of the swaptions represents the fair value resulting from the fact that the fixed rate stated in the swaptions is greater than the at-the-market rate. The initial value of the borrowing is the difference between the upfront payment and the fair value of the embedded derivative and represents the time value to the counterparty for holding the option, or the probability weighted, discounted values of a range of future possible outcomes. The values of the embedded derivatives at the date of execution of this transaction were $918,000 for 2004 bonds and $3,343,000 for 2006 bonds. The values of the borrowings at the date of execution were $1,070,000 for the 2004 bonds and $3,997,000 for the 2006 bonds. The September 30, 2015 values of the borrowings are included in the Statement of Net Position in Noncurrent Liabilities and included in Capital leases/Notes/Mortgages in the table of Changes in Noncurrent Liabilities in Note 5.E.9. Interest is being accreted on, and added to, the borrowing through the expiration date of the option. At September 30, 2015, $355,000 was accreted and is included in Expenses in the Statement of Activities. At September 30, 2015, the negative fair values of the derivatives are approximately $(22,468,000) and are included in Noncurrent Liabilities and included in Other Long-term Liabilities in the table of Changes in Noncurrent Liabilities in Note 5.E.9. For the year ended September 30, 2015, the $(8,277,000) change in the fair value of the derivatives is included in unrestricted investment earnings in the Statement of Activities.

Fair Value. At September 30, 2015, the embedded derivatives had fair values of $(22,468,000). The fair values of the embedded derivatives were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the instruments, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement.

Interest Rate Risk. Interest rate risk, as a result of rising short-term interest rates causing higher interest rate payments, is effectively hedged by the University's fixed rate bonds. If the counterparty exercises its options, the underlying swaps are expected to effectively hedge the potentially higher payments on VRDNs as well. The University is also subject to interest rate risk, as a result of changes in long term interest rates, which may cause the value of fixed rate bonds or interest rate derivatives to change. If long term interest rates fall subsequent to the execution of this transaction, the value of the swaptions will change, with negative consequences for the University.

Market Access Risk. This transaction assumes that VRDNs will be issued as a replacement of the 2006 bonds. If the University is unable to issue variable rate bonds after the counterparty exercises its right under the remaining swaption, the University would still be required to begin making periodic payments on the swap, even though there are no related bonds. Alternatively, the University could choose to liquidate the swap, which may create a substantial cash outlay.

Basis Risk. If the counterparty exercises its option, there is a risk that the floating payments received under the swaps will not fully offset the variable rate payments due on the assumed VRDNs.

Credit Risk. Although the underlying swap exposes the University to credit risk should the swap be executed, the swaption itself does not expose the University to credit risk. If the option is exercised, the University would begin to make payments on the appropriate notional amount of the underlying swap contract. In that situation, if the fair value of the swap is positive, the University would be exposed to credit risk on the swap in the amount of its fair value. As of September 30, 2015, the swap counterparty was rated Aa1 by Moody's Investors Services and AA- by Standard and Poor's Rating Services.

Termination Risk. The University may be required to terminate the swaption or swap under certain circumstances, such as credit downgrades or other events specified in the contracts. In the event that a position needs to be terminated, the University may owe a substantial amount of money to terminate the contracts. At September 30, 2015, no events of termination have occurred.

The Retirement Systems of Alabama (RSA) - The RSA enters into call and put options. The RSA uses these derivative instruments to make an investment, control risk with certain investment positions, or as a yield enhancement strategy. During the fiscal year, these investment derivative instruments were used exclusively within the RSA's domestic and international equity portfolios and are presented in the financial statements in their respective equity classifications. These derivative instruments are either listed options or executed in the over-the-counter (OTC) market using only credit worthy counterparties. The fair value of the investment derivatives is based on market prices. Investment risks related to investment derivatives have been considered and included in the respective investment risks notes above in Note 3.C.

The following table presents the investment derivative instruments outstanding as of September 30, 2015 (in thousands), as reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position:

Investment Derivative Instruments
(Amounts in thousands)

	Changes in Fair Value §	Fair Value		
	Amount	Classification	Amount	Notional
TRS				
International Options Written	$ 287	International Stocks	$ (20)	$ (37,098)
Total Options Written	$ 287	Totals	$ (20)	$ (37,098)
ERS				
International Options Written	$ 137	International Stocks	$ (10)	$ (17,718)
Total Options Written	$ 137	Totals	$ (10)	$ (17,718)
JRF				
International Options Written	$ 4	International Stocks	$ -	$ (554)
Total Options Written	$ 4	Totals	$ -	$ (554)

§ The changes in fair value are included in Net Increase (Decrease) in Fair Value of Investments in the Statement of Changes in Fiduciary Net Position

Alabama Trust Fund (ATF) - Derivatives can be used by the ATF's investment managers to manage cash positions, gain broad stock or bond market exposure and to manage risks with certain investment positions. The ATF Investment Policy allows derivative instruments to be used provided that the collateral is held in highly liquid securities and that they do not create the effect of leverage in the portfolio.

GASB Statement No. 53 requires that the fair value of the financial arrangements called "derivatives" or "derivative instruments" be reported in the financial statements of state and local governments. The statement further requires that derivatives be categorized as either an investment derivative or a hedge derivative. All of the ATF's derivative exposures as of September 30, 2015, are categorized as investment derivatives and therefore the hedge accounting provisions of GASB Statement No. 53 and No. 64 are not applicable.

All derivative instruments are presented in the Statement of Net Position as Investments and are reported at fair value. ATF's custodian, Bank of New York Mellon (BNYM), uses market prices when available. BNYM used two vendors to value derivatives when market values are not available. The two vendors used by BNYM are *Markit,* and *SuperDerivatives.* Both vendors consider their valuation process to be proprietary and not available for disclosure. Investment risks related to investment derivatives have been considered and included in the respective investment risks notes above in Note 3.C. In the note, futures and credit default swaps are included in derivatives, and total return swaps and interest rate swaps are included in corporate bonds.

The following table presents the derivative instruments outstanding as of September 30, 2015 for ATF:

Investment Derivative Instruments
(Amounts in thousands)

	Changes in Fair Value §	Fair Value as of September 30, 2015	
	Amount	Amount	Notional
Credit Default Swaps	$ (270)	$ (279)	$ (17,694)
Total Swaps	$ (270)	$ (279)	$ (17,694)
Futures	$ (572)	$ (714)	$ (106,557)
Total Futures	$ (572)	$ (714)	$ (106,557)
Total Derivatives	$ (842)	$ (993)	$ (124,251)

§ Included in Unrestricted Investment Earnings in the Statement of Activities and Investment Income in the Statement of Revenues, Expenditures, and Changes in Fund Balances.

GASB Statement No. 53 requires the disclosure of the maximum amount of loss due to credit risk, based on the fair value of the instrument at the end of the fiscal year. The maximum amount of loss associated with all derivatives held by the ATF is $395,000. GASB Statement No. 53 also requires additional interest rate risk disclosures for investment derivatives that are highly sensitive to interest rate fluctuations.

NOTE 4 - LIABILITIES

A. Future Commitments

1. Construction Projects

a. Primary Government
At September 30, 2015, the Department of Transportation had construction and maintenance contracts of $1,604,616,000. The amount already performed was $907,136,000, leaving an outstanding balance of $697,480,000. The funding sources for this amount are 64 percent federal funds and 36 percent State and local funds.

The State Port Authority has contracts for several projects with estimated costs to complete of approximately $19.9 million.

b. Component Units
The University of Alabama at Birmingham had construction and renovation commitments remaining at September 30, 2015 of approximately $138.1 million, which is expected to be financed from private gifts, grants, bond proceeds, and University of Alabama at Birmingham reserves.

Auburn University had construction and renovation contracts for various facilities that are estimated to cost approximately $366.5 million. At September 30, 2015, the estimated remaining cost to complete the projects was approximately $94.8 million which will be funded from University funds and bond proceeds.

The University of Alabama at Tuscaloosa had construction and renovation contract commitments for several facilities at September 30, 2015. The estimated remaining costs to complete the construction and renovation was approximately $124.6 million which is expected to be financed from private gifts, grants, bond proceeds and University funds.

The University of Alabama at Huntsville contracted for the construction of the Student Services building. At September 30, 2015, the estimated remaining cost to complete the construction was approximately $15.0 million dollars which is expected to be financed from University funds.

2. Operating Leases
The State and its component units have entered into various lease agreements for real property. These leases do not represent material commitments by the State, therefore disclosure of minimum future lease payments is not provided.

3. Economic Development
The State and its component units have made a variety of economic development grant commitments to the private sector to finance the cost of industries locating and expanding in the State, as well as the costs of training employees.

a. Primary Government
The State has committed to funding economic development grants totaling $20,828,000 as of September 30, 2015. In fiscal year 2016 none of the commitments were paid from appropriations or from prior year appropriations, however, general obligation bonds Series 2016-A were issued in February 2016 and $20,828,000 was used to pay commitments in fiscal year 2016. As of September 30, 2015 there was $20,099,000 available for commitments in special revenue bonds, during fiscal year 2016 $13,459,000 was paid from existing revenue bond proceeds.

b. State Entity
The State as a whole has an additional $136,966,000 in economic development grant commitments to meet for which the funding source had not been decided. The general obligation Series 2016-A issued in February 2016 provided $108,703,000 toward these commitments. Of the $136,966,000 grant commitment, all is expected to be paid in fiscal year 2016 or later.

4. Encumbrances
Encumbrances represent commitments related to unperformed contracts and purchase orders for goods and services. Encumbrances are reported within governmental funds as restricted, committed, or assigned fund balance. At September 30, 2015, there were encumbrances in the General Fund totaling $928,000, the Education Trust Fund $243,000 the Public Road and Bridge Fund $69,780,000, the Medicaid Fund $14,396,000, the Public Welfare Trust Fund $5,608,000, the Alabama Trust Fund $143,000, and nonmajor governmental funds $33,880,000.

B. Claims and Judgments

The Department of Transportation finances its own risk for state employee injury compensation. The Department had $10,256,000 in claims liabilities at the end of the fiscal year.

C. Pollution Remediation Obligations

Auburn University conducts groundwater monitoring, monitored natural attenuation and clean-up in accordance with the Resource Conservation and Recovery Act (RCRA) and the Toxic Substances and Control Act. Additionally, asbestos abatement is necessary as older buildings on campus are demolished or renovated. The University, with the assistance of an outside consultant, prepared a 30-year Post Closure Cost Estimate related to all active and inactive solid waste management units managed through the University RCRA Facility permit. As of September 30, 2015, the total estimated pollution remediation (estimated using the expected cash-flow technique) is $7,003,000. The current portion of $349,000 is included in accounts payable and the long-term portion of $6,654,000 is

included in Noncurrent Liabilities: Due In More Than One Year in the accompanying Statements of Net Position. The University does not expect to recover any funds from insurance or other third parties related to these obligations.

D. Conduit Debt

Revenue bonds were issued by Alabama Housing Financing Authority, a component unit, which constituted conduit debt outstanding at year-end totaling $135,679,000 to provide multifamily housing for the citizens of Alabama. The Authority does not actively monitor the operating performance or financial condition of the multifamily properties financed by the bonds. Multifamily mortgage loans are collateralized by varying methods, including first-liens on multifamily residential rental properties located within the State of Alabama, letters of credit, surety bonds and guarantees provided by third parties. These bonds do not constitute a debt or pledge of the faith and credit of the Authority or the State of Alabama, and accordingly, have not been reported in the accompanying financial statements.

E. Long-term Debt

1. Debt Limitations and Methods of Bond Issuance

Under Section 213 of the *Constitution of Alabama of 1901*, as modified by Amendment 26, the State is constitutionally prohibited from incurring debt except to repel invasion or suppress insurrection. Therefore, the only method under which general obligation debt can be incurred is by amendment to the *Constitution*. Although conventions proposed by the legislature and approved by the electorate may be called for the purpose of amending the *Constitution*, historically all amendments have been adopted by a procedure which requires them to be proposed by a three-fifths majority of each house of the legislature and thereafter ratified by a majority of the electorate.

The Supreme Court of Alabama has ruled that debt prohibition does not apply to debts incurred by separate public corporations functioning as state instrumentalities. The State has followed the practice of financing many capital improvements and developmental grant programs by issuing debt through such public corporations. The legislature (through enabling legislation) and the Governor (by executive order) have created public corporations and authorities of the State for the purpose of financing projects and programs such as public highways, public educational facilities, judicial buildings, affordable housing, economic development grants, and other projects. In most instances, state officials such as the Governor, Lieutenant Governor, Attorney General, State Treasurer, and the Director of Finance serve as board members of these corporations. The revenue bonds issued by these corporations are limited obligations of the corporation, not general obligations of the State, and the full faith and credit of the State is not pledged for their repayment. Certain revenues, usually earmarked taxes or revenues generated from the project financed are pledged for the payment of the debt. These corporations are reported by blending them with the primary government. The State also enters into lease purchase agreements which are reported in accordance with generally accepted accounting principles as capital lease debt or notes payable.

2. General Obligation Bonds – Governmental Activities

The State has general obligation bond issues outstanding for the purpose of financing major capital projects for: state waterways, State Port Authority's facilities, prisons, roads, bridges, mental hospitals, Mobile harbor, state parks, youth services facilities, state buildings, the State Coliseum, conservation and preservation projects, educational television, forensic sciences laboratories, agricultural development, diagnostic and research laboratories, and historical projects. General obligation bonds also finance grant programs for public school and college buildings, as well as economic development grants to industry and local government. The full faith and credit of the State is pledged for the payment of the bonds. The following schedule shows the general obligation annual debt service requirements and is followed by a detailed table describing each individual general obligation bond issue outstanding:

GENERAL OBLIGATION BONDS

Debt Service Requirements to Maturity

(Amounts in Thousands)

Maturity	Principal	Interest	Total
2016	$ 40,455	$ 26,357	$ 66,812
2017	46,265	24,509	70,774
2018	47,165	22,299	69,464
2019	54,585	20,000	74,585
2020	57,190	17,380	74,570
2021-2025	215,710	51,207	266,917
2026-2030	88,620	13,525	102,145
2031-2033	21,655	1,721	23,376
Total	571,645	**$ 176,998**	**$ 748,643**
Unamortized Premium	59,852		
	$ 631,497		

GENERAL OBLIGATION BONDS PAYABLE
(Amounts in Thousands)

General Obligation Issue (Amounts in Thousands)	Date Issued	Final Maturity Date	Interest Rates	Bonds Payable Sept. 30, 2015
Series 2006 - Economic Develop. & Industry Recruitment	02/01/06	02/01/16	3.5% to 5.0%	$ 2,930
Series 2007 - Economic Develop. & Industry Recruitment	08/01/07	08/01/27	3.5% to 5.0%	50,435
Series 2010				
Series A - Refunding Bonds	03/23/10	06/01/21	3.0% to 5.0%	25,005
Series B - Refunding Bonds	03/23/10	06/01/21	3.0% to 4.0%	8,195
Series C - Refunding Bonds	05/11/10	06/01/21	3.3% to 5.0%	41,640
Series D - Economic Development	05/11/10	06/01/32	3.0% to 5.0%	97,385
Series 2013				
Series A - Refunding Bonds	08/01/13	08/01/25	0.2% to 3.3%	126,855
Series B	08/01/13	08/01/33	0.2% to 4.4%	30,635
Series C - Refunding Bonds	08/01/13	08/01/21	0.5% to 2.6%	1,480
Series 2014 A - Refunding Bonds	08/01/14	08/01/26	0.6% to 2.6%	187,085
Sub-total General Obligation Bonds				571,645
‡ Plus: Unamortized Premiums				59,852
Total General Obligation Bonds				**$ 631,497**

‡ Unamortized premiums $42 for Series 2006, $1,585 for Series 2007, $1,701 for Series 2010-A, $272 for Series 2010-B, $2,748 for Series 2010-C, $7,081 for Series 2010-D, $13,981 for Series 2013-A, $1,485 for Series 2013-B, $47 for the Series 2013-C, and $30,910 for the Series 2014A.

3. Revenue Bonds

a. Primary Government – Governmental Activities

The Alabama Corrections Institution Finance Authority issues bonds for the purposes of acquiring land and constructing correctional institutions. The bonds are payable from revenues derived from payments under a lease agreement between the Authority and the Department of Corrections.

The Alabama Building Renovation Finance Authority issues bonds to provide funding for the renovation, reconstruction, operation, and maintenance of public office buildings in the state capitol complex. The Authority also receives income from the rental of the office buildings to state agencies. The bonds issued by the Authority are payable from the rents received by the authority under lease agreements.

The Alabama Judicial Building Authority issues bonds for the purpose of funding the acquisition, construction, and capital improvements of judicial facilities. The bonds are payable from revenues and receipts paid by the Judicial System pursuant to the lease and earnings, if any, on funds held by the State Treasurer.

The Alabama Public Health Care Authority issues bonds for the purpose of funding the acquisition, construction, and equipping of buildings located in each county for the use of the Department of Public Health. Transfers received from the Department of Public Health, along with income from investing idle funds are used for the payment of principal and interest on the bonds. A Municipal Bond Insurance Policy also guarantees payment of the bonds.

The Alabama Federal Aid Highway Finance Authority issues bonds for the purpose of funding the costs of constructing any roads, streets, parks, right of ways, bridges, railroad crossings, drainage structures, signs, guard rails, structures, interstates, surfaces, resurfaces, shoulders, road sides, or any other work which is eligible for federal aid financing assistance under Title 23, Chapter 1, of the United States Code and applicable regulations. The bonds are issued in anticipation of the receipt by the State of the federal share of the costs. Principal and interest paid for the current year and federal revenue were $53,803,000 and $900,906,000, respectively.

The Alabama Incentives Finance Authority issues bonds to fund financial commitments to industries relocating to Alabama under the terms of the State's Industrial Incentives legislation. Revenues from the Tennessee Valley Authority to the State "in lieu of taxes" are pledged for the payment of these bonds. Principal and interest paid for the current year and the "in lieu of taxes" revenue were $17,934,000 and $17,513,000, respectively.

The Alabama Public School and College Authority is authorized to issue bonds to construct and improve educational buildings. Revenue from the sales and use taxes, the leasing tax, and the utilities gross receipts and use taxes are pledged for the payment of these bonds. Principal and interest paid for the current year was $270,222,000. Sales taxes, use taxes, leasing taxes, and utilities gross receipts and use taxes for the current year were $2,441,906,000.

The Alabama Mental Health Finance Authority issues bonds for the acquisition, construction, improvement, and equipping of mental health facilities. Revenues from certain tobacco and liquor taxes are pledged for the payment of principal and interest on these bonds. Principal and interest paid for the current year was $2,083,000. Tobacco and liquor taxes for the current year were $5,477,000.

The Alabama Twenty-first Century Authority issues bonds for the purpose of promoting economic development and industrial recruitment for the State of Alabama. The bonds are special obligations of the Authority payable solely from the Trust Estate created under the Indenture. Principal and interest paid for the current year and tobacco settlement revenue were $12,845,000 and $13,000,000, respectively.

The Alabama Revolving Loan Fund Authority issues bonds for the purpose of making grants to the Regional Planning and Development Commissions which are utilized by the grantees as revolving loan funds. Revenues from privilege and license tax on providers of cellular radio telecommunication services are used to pay the debt. Principal and interest paid for the current year and cellular radio telecommunication privilege and license taxes were $1,846,000 and $57,320,000, respectively.

The Alabama Highway Finance Corporation issues bonds for the purpose of funding the state's share of the cost of constructing roads and bridges that the federal government and state funds jointly. The 0.07 gasoline tax, 0.13 diesel fuel tax, 0.06 diesel fuel tax, motor carrier tax, inspection fees, and identification marker fees are used to pay the debt. Principal and interest paid for the current year and specified taxes were $3,815,000 and $354,209,000, respectively.

PRIMARY GOVERNMENT

Governmental Activities Revenue Bonds (Amounts in Thousands)	Date Issued	Final Maturity Date	Interest Rates	Bonds Payable Sept. 30, 2015
Alabama Building Renovation Finance Authority				
Series 2006	08/01/06	09/01/31	4.00% to 5.00%	$ 23,740
Series 2010	07/21/10	09/01/24	2.50% to 4.00%	19,080
Alabama Judicial Building Authority				
Series 2007	10/01/07	11/01/18	3.50% to 5.00%	12,280
Alabama Public Health Care Authority				
Series 2005	09/28/05	09/01/35	4.00% to 4.50%	21,660
Series 2015	03/12/15	09/01/44	2.00% to 5.00%	55,535
Alabama Federal Aid Highway Finance Authority				
Series 2011	08/23/11	03/01/17	1.00% to 5.00%	32,950
Series 2012	12/06/12	09/01/26	0.35% to 2.40%	311,295
Series 2015	01/21/15	09/01/36	2.34% to 2.99%	533,175
Alabama Incentives Finance Authority				
Series 2009-A	09/17/09	09/01/29	3.00% to 4.00%	19,060
Series 2009-B	09/17/09	09/01/29	1.93% to 4.00%	80,845
Series 2009-C	09/17/09	09/01/29	3.00% to 4.00%	14,370
Series 2012-A	10/23/12	09/01/42	0.45% to 3.85%	123,385
Alabama Public School and College Authority				
Series 2007	12/05/07	12/01/27	2.50% to 5.00%	223,255
Series 2008-A	09/05/08	02/01/18	3.25% to 4.25%	6,385
Series 2009-A	10/21/09	05/01/19	5.00% to 5.00%	197,195
Series 2009-B	10/21/09	05/01/19	3.00% to 5.00%	82,200
Series 2009-C	10/21/09	05/01/19	3.00% to 4.00%	6,470
Series 2009-D	12/03/09	12/15/25	3.70% to 3.70%	145,880
Series 2010-A	04/14/10	05/01/19	4.00% to 5.00%	94,795
Series 2010-Q	09/14/10	03/01/27	5.15% to 5.15%	154,727
Series 2010-C	11/29/10	12/01/20	2.48% to 2.48%	49,025
Series 2010-D	11/29/10	12/01/20	3.77% to 3.77%	12,540
Series 2011-A	06/02/11	05/01/26	4.60% to 4.60%	51,270
Series 2011-B	06/02/11	05/01/21	2.00% to 5.00%	18,130
Series 2012-A	02/29/12	03/01/24	3.00% to 5.00%	60,340
Series 2012-B	02/29/12	03/01/29	2.50% to 5.00%	80,440
Series 2012-C Direct Loan Bonds	10/31/12	11/01/22	1.55% to 1.55%	4,700
Series 2012-D Direct Loan Bonds	10/31/12	11/01/22	2.02% to 2.02%	22,635
Series 2013-A	06/24/13	06/01/33	3.00% to 5.00%	110,840
Series 2013-B	06/24/13	06/01/33	4.00% to 5.00%	52,200
Series 2013-C	10/09/13	09/01/33	1.48% to 4.10%	80,000
Series 2013-D	10/09/13	09/01/33	0.45% to 4.25%	23,020
Series 2014-A	05/15/14	02/01/26	0.20% to 2.72%	74,320
Series 2014-B	07/01/14	01/01/27	1.26% to 2.80%	546,850
Series 2015-A	04/16/15	05/01/24	1.45% to 2.17%	33,635
Series 2015-B	04/16/15	05/01/29	1.27% to 3.23%	47,610
Series 2015-C	04/16/15	06/01/29	0.37% to 2.98%	46,775
				$ 3,472,612

Continued on next page

PRIMARY GOVERNMENT, Continued Governmental Activities Revenue Bonds (Amounts in Thousands)	Date Issued	Final Maturity Date	Interest Rates	Bonds Payable Sept. 30, 2015
Sub-Total from previous page				**$ 3,472,612**
Mental Health Finance Authority				
Series 2012	07/01/12	06/01/23	2.12% to 2.12%	15,380
Alabama Twenty-first Century Authority				
Tobacco Settlement Revenue Bonds, Series 2012	03/08/12	06/01/21	3.00% to 5.00%	75,285
Alabama Revolving Loan Fund Authority				
Series 2010	12/1/'10	03/01/30	2.50% to 6.13%	17,170
Alabama Highway Finance Corporation				
Series 2014	06/01/14	06/01/21	1.70% to 1.70%	21,590
Sub-total Revenue Bonds Payable				3,602,037
‡ Less: Unamortized Discounts				(135)
§ Plus: Unamortized Premiums				340,987
Net Primary Government Revenue Bonds Payable, Governmental Activities				**$ 3,942,889**

‡ Unamortized Discount $135 for Public Health Care Authority.

§ Unamortized premium is $124,023 for Federal Aid Highway Finance Authority, $1,601 for Building Renovation Finance Authority, $303 for the Judicial Building Authority, $7,301 for the Alabama Twenty-first Century Authority, $3,999 for the Alabama Public Health Care Authority, $189,263 for the Alabama Public School and College Authority, $14,460 for the Incentives Financing Authority, and $37 for the Alabama Revolving Loan Fund Authority.

b. Primary Government – Business-Type Activities

The Alabama State Port Authority issues bonds for the construction and maintenance of a wharf, warehouse, open storage area, and other port facilities at Mobile Bay. The bonds are secured by the gross revenues of the Authority derived from charges made by the Authority for all services provided. The Series 2008-A bonds will bear interest at a rate of 100 basis points plus 67 percent of LIBOR (London Interbank Offered Rate). The Authority is in compliance with all debt covenants as of September 30, 2015. Principal and interest paid for the current year and gross revenues were $26,200,000 and $144,886,000, respectively.

The Alabama Community College System has numerous bond issues outstanding for a variety of purposes. Most were issued for the construction, renovation, and acquisition of buildings for various purposes, including classrooms, research facilities, dormitories, student centers, dining facilities, and athletic facilities. Principal and interest paid for the current year and tuition and fee revenue were $26,134,000 and $143,738,000, respectively.

PRIMARY GOVERNMENT Business-Type Activities Revenue Bonds, Proprietary Funds (Amounts in Thousands)	Date Issued	Final Maturity Date	Interest Rates	Bonds Payable Sept. 30, 2015
State Port Authority				
Series 2006-A	11/01/06	10/01/36	4.50% to 5.00%	$ 131,355
Series 2006-B	11/01/06	10/01/36	4.50% to 5.00%	45,955
Series 2006-D	12/07/06	10/01/30	4.35% to 4.35%	21,600
Series 2008-A	04/01/08	10/01/21	Variable	48,875
Series 2010	12/09/10	10/01/40	5.75% to 6.00%	106,045
Alabama Community College System	Various	Various	1.25% to 6.30%	280,139
Sub-total Revenue Bonds Payable, Proprietary Funds				633,969
§ Plus: Unamortized Premium				578
Net Primary Government Revenue Bonds Payable, Proprietary Funds				**$ 634,547**

§ Unamortized premium $578 for Alabama State Port Authority.

Revenue Bonds
Debt Service Requirements to Maturity
(Amounts in Thousands)

	Governmental Activities		Business-type Activities	
Maturity	Principal	Interest	Principal	Interest
2016	$ 239,540	$ 159,935	$ 27,295	$ 25,658
2017	252,165	148,806	28,463	25,124
2018	256,365	137,266	29,139	24,297
2019	269,735	125,051	30,259	23,440
2020	200,745	112,174	30,849	22,530
2021-2025	876,115	426,032	154,822	96,749
2026-2030	1,020,902	195,001	115,972	69,176
2031-2035	376,435	66,333	98,390	44,022
2036-2040	68,755	20,402	97,096	21,103
2041-2042	41,280	4,017	21,684	651
Total	3,602,037	**$ 1,395,017**	633,969	**$ 352,750**
Unamortized Discount	(135)			
Unamortized Premium	340,987		578	
	$ 3,942,889		**$ 634,547**	

c. Component Units

The Alabama Housing Finance Authority issues bonds that are limited obligations of the Authority and are not a debt or liability of the State. Each bond issue is secured, as described in the applicable trust indenture, by all revenues, monies, investments, mortgage loans, and other assets in the funds and accounts of the program. Substantially all of the Authority's assets are pledged as security for the bonds.

The Alabama Water Pollution Control Authority issues bonds to provide funds for the purpose of making loans to certain local government units to construct sewage treatment plants and related facilities. Proceeds from loan agreements are used for payment of debt service related to the bonds.

The Alabama Drinking Water Finance Authority issues bonds to provide funds which are used to make loans to local governments for planning, designing, acquiring, or constructing sanitary drinking water and related facilities. Proceeds from the loan agreements are used for payment of debt service related to the bonds.

The boards of the various institutions of higher education have numerous bond issues outstanding for a variety of purposes. Most were issued for the construction, renovation, and acquisition of buildings for various purposes, including classrooms, research facilities, dormitories, student centers, dining facilities, hospitals, and athletic facilities.

COMPONENT UNITS, Continued **Revenue Bonds (Amounts in Thousands)**	**Date Issued**	**Final Maturity Date**	**Interest Rates**	**Bonds Payable Sept. 30, 2015**	
Alabama Housing Finance Authority					
Single Family Bond Programs	2000-2010	2016-2039	Various	$ 250,680	
Alabama Water Pollution Control Authority					
Revolving Fund Loan Bonds	2003-2011	2016-2023	2.00% to 4.38%	104,325	
Alabama Drinking Water Authority					
Revolving Fund Loan Bonds	2005-2014	2024-2027	0.05% to 5.25%	57,655	
Alabama Space Science Exh Finance Authority	2014	2032	2.72% to 5.09%	11,065	
Higher Education					
University of Alabama - Tuscaloosa	2006-2014	2019-2044	1.00% to 6.28%	885,650	
University of Alabama - Birmingham	1993-2013	2020-2044	0.20% to 5.80%	907,572	
University of Alabama - Huntsville	1980-2013	2016-2043	0.74% to 6.13%	101,696	
Athens State	2007-2010	2027-2030	various	17,155	
Alabama A&M University	1980-2007	2018-2032	3.00% to 5.00%	61,804	
Alabama State University	1965-2012	2016-2042	2.00% to 5.40%	216,370	
Auburn University	1978-2015	2015-2042	2.00% to 5.49%	690,638	
Jacksonville State University	2009-2014	2023-2039	various	72,960	
University of West Alabama	2010-2012	2041-2042	various	51,785	
University of Montevallo	1985-2012	2016-2035	1.34% to 4.00%	25,437	
University of North Alabama	2010-2014	2024-2044	2.00% to 6.55%	76,405	
University of South Alabama	1999-2014	2018-2038	2.14% to 5.25%	384,882	
Troy University	2009-2015	2019-2036	various	141,075	
Total Revenue Bonds Payable				4,057,154	
Less: Unamortized Discounts				(2,365)	†
Plus: Unamortized Premium				99,670	§
Net Revenue Bonds Payable, Component Units				**$ 4,154,459**	

† Unamortized discounts were $23 for the University of South Alabama, $160 for the University of Montevallo, $115 for Jacksonville State University $599 for the University of North Alabama, $1,303 for Alabama State University and $165 for the University of West Alabama.

§ Unamortized premiums were $36,556 for the University of Alabama - Tuscaloosa, $39,455 for Auburn University, $4,904 for the University of South Alabama, $1,089 for the Water Pollution Control Authority, $792 for Alabama State University, $8,690 for University of Alabama - Birmingham, $11 for the University of West Alabama, $2,797 for the Alabama Drinking Water Authority, $3,115 for Troy University, $895 for the University of Alabama - Huntsville and $1,366 for the University of North Alabama.

COMPONENT UNITS
Debt Service Requirements to Maturity
(Amounts in Thousands)

Maturity	Principal		Interest	Total
2016	$ 155,241		$ 167,270	$ 322,511
2017	220,588		162,807	383,395
2018	167,301		157,083	324,384
2019	155,920		151,897	307,817
2020	154,616		146,144	300,760
2021-2025	785,894		623,635	1,409,529
2026-2030	809,353		460,273	1,269,626
2031-2035	802,741		294,087	1,096,828
2036-2040	618,138		114,192	732,330
2041-2045	187,362		10,611	197,973
Total	4,057,154	†	**$ 2,287,999**	**$ 6,345,153**
Unamortized Discount	(2,365)			
Unamortized Premium	99,670			
	$ 4,154,459			

† The above table shows interest in the year it will be paid, not the year it is accrued.

4. Refunded Bonds

Advance refunding bonds are issued to retire existing bonds. A portion of the proceeds from the sale of the refunding bonds is deposited with an escrow agent according to an escrow trust agreement. The proceeds are invested by the escrow agent in certain U.S. Treasury obligations in such amounts with certain maturities to provide sufficient funds to pay the remaining maturing principal and interest on the refunded bonds as they become due. The refunded bond debt is considered to be retired for financial reporting purposes even though the debt is still legally outstanding and the issuer of the bonds has not been released from the debt obligations. The U.S. Treasury obligations constitute a trust fund to be held by the escrow agent for the benefit of the holders of the refunded bonds. Advance refundings and early redemptions are discussed in the remainder of this section.

a. Primary Government

On April 16, 2015, the Alabama Public School and College Authority issued Revenue Bonds, Series 2015-A in the amount of $33,635,000 with effective interest rates of 1.45 percent to 2.17 percent. An original premium of $6,888,000 was received on the sale of the bonds. The proceeds were used to partially refund, on an advance basis, $35,035,000 of Series 2009-A bonds. The refunding resulted in an accounting loss of $4,665,000. Also, the refunding resulted in an economic gain of $1,706,000 and a reduction in cash flows required to service the new debt compared to cash flows required to service old debt of $1,915,000.

On April 16, 2015, the Alabama Public School and College Authority issued Revenue Bonds, Series 2015-B in the amount of $47,610,000 with effective interest rates of 1.27 percent to 3.23 percent. An original premium of $9,310,000 was received on the sale of the bonds. The proceeds were used to partially refund, on an advance basis, $29,790,000 of Series 2008-A bonds and $22,415,000 of Series 2009-C bonds. The refunding resulted in an accounting loss of $3,689,000. Also, the refunding resulted in an economic gain of $2,647,000 and a reduction in cash flows required to service the new debt compared to cash flows required to service old debt of $5,425,000.

On March 12, 2015, the Alabama Public Health Care Authority (Authority) issued Revenue Bonds, Series 2015 of $55,855,000 with interest rates of 2.0 percent to 5.0 percent to finance public health facilities and to advance refund $24,845,000 of the Revenue Bonds, Series 2005 with interest ranging from 4.0 percent to 4.5 percent. The Authority deposited a portion of the net proceeds along with other resources in an irrevocable trust to provide for all future debt service on the refunded portion of the Revenue Bonds, Series 2005. As a result, that portion of the Revenue Bonds, Series 2005 is considered defeased, and the Authority has removed the liability from

its accounts. The advance refunding resulted in decreased debt service payments by approximately $2,930,000. This resulted in an economic gain of $2,208,000 and an accounting loss of $670,000.

b. Component Units

The Alabama Drinking Water Authority (Authority) issued 2015A Refunding Series revolving loan bonds for the purpose of refunding the Series 2004A bonds, which had an aggregate principal balance of $23,345,000. The refunding resulted in an accounting loss of approximately $106,000. Although the refunding resulted in an accounting loss, the Authority reduced its aggregate debt service by approximately $7,600,000 and resulted in an economic gain of approximately $3,900,000.

The University of Alabama Birmingham defeased certain indebtedness during fiscal year 2015 by depositing funds in escrow trust accounts sufficient to provide for the subsequent payment of principal and interest on the defeased indebtedness. The principal outstanding on the defeased indebtedness at September 30, 2015 was approximately $34,910,000.

On March 18, 2015, Auburn University issued the 2015A General Fee bonds with a par value of $116,190,000 and interest rates ranging from 2.0 percent to 5.0 percent to advance refund $117,095,000 of outstanding 2006A General Fee and 2007A General Fee bonds with interest rates ranging from 4.25 percent to 5.0 percent. The refunding resulted in the University recognizing a deferred outflow of resources of $11,127,000 for the difference between the acquisition price of the new bonds and the net carrying amount of the old debt. The refunding decreases the University's total debt service payments over the next 23 years by $14,782,000 and resulted in an economic gain of $10,918,000.

On September 10, 2015, Auburn University issued the 2015B General Fee bonds with a par value of $38,700,000 and interest rates ranging from 2.0 percent to 5.0 percent to advance refund $37,725,000 of outstanding 2008 General Fee Bonds with an interest rate of 5.0 percent. The refunding resulted in the University recognizing a deferred outflow of resources of $4,539,000 for the difference between the acquisition price of the new debt and the net carrying amount of the old debt. The refunding decreases the University's total debt service payments over the next 20 years by $4,606,000 and resulted in an economic gain of $3,394,000.

On June 30, 2015, Troy University issued Series 2015A revenue bonds with an interest rate of 4.34 percent to advance refund the 2007 Series revenue bonds with an average interest rate of 4.6 percent. As a result of the advance refunding, the University reduced its total debt service requirements by $588,000 which resulted in an economic gain of $472,000.

Advance refunded bonds with remaining balances at September 30, 2015:

Primary Government	Amount
General Obligation 2006-A	$ 38,385,000
General Obligation 2007-A	161,550,000
Alabama Public Health Care Authority	24,090,000
Alabama Public School & College Authority 2006-A	35,395,000
Alabama Public School & College Authority 2007	574,150,000
Alabama Public School & College Authority 2008-A	29,790,000
Alabama Public School & College Authority 2009-A	35,035,000
Alabama Public School & College Authority 2010-C	22,415,000
Component Units	
University of Alabama in Tuscaloosa	$ 25,100,000
University of Alabama in Birmingham	34,910,000

5. Arbitrage

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt subsequent to August 1986, to calculate and rebate arbitrage earnings to the Federal Government. The U.S. Treasury has issued regulations on calculating the rebate amount and complying with the provisions of the Tax Reform Act of 1986. Governmental issuers must comply with the rebate regulation in order for their bonds to maintain tax-exempt status.

The regulations require the excess of the aggregate amount earned on investments purchased with bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield to be rebated to the federal government.

Income earned on excess earnings is also subject to rebate. Rebate payments, if required, are due at least once every five years over the life of the bonds. Bond issues with arbitrage liabilities outstanding at September 30, 2015, were as follows:

Component Units	Amount
Water Pollution Control Authority	$ 122,000

This list is based upon incomplete data since some bond issues have not yet been included in arbitrage calculations. Any refunded bond issue is subject to the rebate requirement until the last bond is redeemed. Bond issues that have already been redeemed may be subject to additional payments if an arbitrage rebate or spending payment is owed and has not been paid.

6. Bonds Authorized But Not Issued

(Amounts in Thousands)

Primary Government	Authorized	Issued	Unissued
General Obligation Bonds ϕ			
State of Alabama	$ 750,000	$ 495,325	$ 254,675
Federal Aid Highway Finance Authority	Based on amount received in federal funds		
Farmers Market Authority	10,000	-	10,000
Highway Authority	20,000	7,000	13,000
Corrections Institution Finance Authority	83,000	19,000	64,000
Public Health Finance Authority	45,000	-	45,000
Public Health Care Authority	Unlimited		
Parking Deck Authority	13,000	-	13,000
Garrett Coliseum Redevelopment Corporation	100,000	-	100,000
Alabama Toll Road, Bridge and Tunnel Authority	Based on Authority's construction of toll road, bridge or tunnel projects payable from tolls and other revenues		
State Industrial Development Authority †	100,000	38,390	61,610
Mental Health Finance Authority	100,000	99,981	19
Alabama Public School and College Authority-Pool Bonds	Unlimited		
Alabama Public School and College Authority-Capital Improvement Bonds	308,000	205,710	102,290
Total Reporting Entity	**$ 1,529,000**	**$ 865,406**	**$ 663,594**

ϕ Constitutional amendment 666, as amended, limits the aggregate outstanding general obligation bonds to $750,000,000. The aggregate limit does not include general obligation bonds authorized by other constitutional amendments.
† The State Industrial Development Authority is authorized to issue a total of $100,000,000 in bonds in addition to any bonds authorized prior to 1991. No more than $40,000,000 in aggregate principal amount of such bonds may be outstanding at any one time. At September 30, 2015, there were no bonds outstanding.

7. Hedging Derivatives

University of South Alabama - On February 27, 2007, the University of South Alabama Research and Technology Corporation entered into a derivative transaction with Wells Fargo Bank, N.A. (successor to Wachovia Bank, N.A. the original counterparty). The derivative is a "receive variable, pay fixed" interest rate swap entered into in connection with the promissory note that came into effect upon conversion of the construction loan into a permanent loan on May 1, 2008. The Corporation utilizes the interest rate swap to convert its variable rate on the promissory note to a synthetic fixed rate. The promissory note came into effect on May 1, 2008, upon conversion of the construction loan. Also, on May 1, 2008, the interest rate swap associated with the loan became effective. The swap will terminate on May 1, 2028, when the loan matures. The notional amount of the swap will at all times match the outstanding

principal amount of the loan. Under the swap, the Corporation pays the counterparty a fixed payment of 6.10 percent and receives a variable payment of the one-month LIBOR rate plus 0.85 percent. The Corporation paid $726,000 under the interest rate swap agreement for the years ended September 30, 2015, which is reflected as an increase in interest expenses.

Fair Value. At September 30, 2015 the negative fair value of the interest rate swap is $3,383,000. The changes in fair value are reported as deferred outflows on the Statement of Net Position since the interest rate swap is a hedging derivative instrument. The fair value of the interest rate swap was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement.

Interest Rate Risk. On the Corporation's "receive-variable, pay-fixed" interest rate swap, as LIBOR decreases, the net payment on the swap increases.

Credit Risk. As of September 30, 2015, the Corporation was not exposed to credit risk on the interest rate swap because it had a negative fair value. However, if interest rates change and the fair value of the derivative becomes positive, the Corporation would have a gross exposure to credit risk in the amount of the derivatives' fair value. The counterparty was rated Aa1 by Moody's Investors Services and AA- by Standard & Poor's Ratings Services as of September 30, 2015.

Termination Risk. The interest rate swap contracts use the International Swaps and Derivatives Association, Inc. Master Agreement, which includes standard default and termination events, such as failure to make payments, breach of agreement, and bankruptcy. At September 30, 2015, no events of default or termination had occurred. If the interest rate swap is terminated, interest rate risk associated with the variable rate debt would no longer be hedged. Also, if at the time of termination the interest rate swap had a negative fair value, the Corporation would be liable to the counterparty for a payment equal to the interest rate swap's fair value. To allow the Corporation the maximum flexibility to manage the utilization of Building II and III while at the same time providing protection for the counterparty, the Corporation granted the counterparty a $2,000,000 mortgage secured by an interest in the ground lease with respect to the parcel of land on which Building II stands, an interest in Building II, a security interest in Building II tenant leases, and a security interest in income received from rental of Building II.

Alabama State University – Alabama State University has entered into a pay-fixed interest rate swap agreement with J. P. Morgan Chase Bank with an objective of hedging cash flows on its Series 2004 Series General Revenue bonds with an effective date of August 27, 2004 and a maturity date of March 1, 2033. The terms of the agreement are for the University to pay 3.222 percent and receive 68 percent of the 30 day LIBOR rate. The notional amount at September 30, 2015 was $21,350,000 and the hedging derivative liability was a negative $4,109,000. The $370,000 increase in fair value is reported in deferred outflows on the Statement of Net Position.

As of September 30, 2015, the synthetic interest rates on the swapped portion of the 2004 general revenue bonds were 3.10 percent. The fair value of the pay-fixed rate swap was estimated through forecasting expected cash flows that are discounted. The University's interest rate swap hedging derivatives have been determined to be effective using the synthetic instrument method.

Interest Rate Risk. The University is exposed to interest rate risk on its interest rate swap. The fair value of this instrument is sensitive to interest rate changes. Because rates have changed since the effective date of the swap, a negative fair value existed at September 30, 2015. The negative fair value may be countered by a reduction in total interest payments required under the variable-rate bonds, creating lower synthetic interest rates. Because the coupons on the University's variable-rate bonds adjust to changing interest rates, the bonds do not have corresponding fair value increases. As the yield curve rises, the value of the swap will increase and as rates fall, the value of the swap will decrease.

Credit Risk. As of September 30, 2015, the University is not exposed to credit risk because the swap has a negative fair value. However, should interest rates change and the fair value of the swap become positive, the University would be exposed to credit risk in the amount of the derivatives' fair value.

Basis Risk. The University receives 68 percent of 1-month LIBOR Index from J.P. Morgan Chase Bank (JPM) and pays a floating rate to its bondholders set by the Remarketing Agent. The University incurs basis risk when its bonds trade at a yield above 68 percent of 1-month LIBOR Index. If the relationship of the University's bonds trade to a percentage of LIBOR greater than 68 percent, the University will experience an increase in debt service above the fixed rate on the swap.

Termination Risk. The interest rate swap agreement has a stated termination date of March 1, 2033; however, the University and counterparty, JPM have the right to terminate the agreement prior to such date upon the occurrence of certain extraordinary events, and further, JPM has retained an option to terminate the agreement at any time on or after March 1, 2012 for any reason with no obligation to make any termination payment other than the amount of any regular periodic payment accruing to the termination date. In addition, if the University terminates the agreement prior to March 1, 2033, the University would be liable to the counterparty for a payment equal to the swap's negative fair value.

Rollover Risk. The University is not exposed to rollover risk, because the maturity dates for hedged variable-rate bonds and the interest rate swap agreement are the same, March 2033.

8. Notes, Mortgages, and Capital Leases

Debt Principal Requirements to Maturity
(Amounts in Thousands)

Maturity	Governmental Activities Principal	Business-Type Activities Principal	Component Units Principal
2016	$ 23,249	$ 2,244	$ 23,363
2017	19,407	1,840	20,740
2018	17,267	176	20,431
2019	15,148	136	18,086
2020	14,122	101	16,053
2021-2025	71,804	167	76,785
2026-2030	67,520	33	52,336
2031-2035	24,355	-	44,205
2036-2040	3,898	-	20,452
2041-2045	843	-	-
2046-2049	60	-	-
Total	257,673	4,697	292,451
Interest	(76,771)	(90)	(106,971)
Net	**$ 180,902**	**$ 4,607**	**$ 185,480**

At September 30, 2015 assets recorded under capital leases were as follows (amounts expressed in thousands):

	Governmental Activities
Buildings	$ 147,329
Equipment	5,602
Less: accumulated depreciation	(61,318)
Total	**$ 91,613**

The State leases office buildings and equipment with varying terms and options. Most buildings under capital lease have a term of twenty-five to thirty years, but can range from twenty to forty years. Capital leases are recorded at the lower of the present value of the future minimum lease payments or fair market value. Principal and interest capital lease payments are recorded as expenditures of the applicable governmental function in the governmental fund. The largest capital leases in governmental activities are for buildings in county facilities used by the Department of Public Health and the Department of Human Resources.

9. Changes in Noncurrent Liabilities

(Amounts in Thousands)		Beginning Balance (As Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government						
Governmental Activities:						
Bonds Payable:						
General Obligation Bonds		$ 610,825	$ -	$ 39,180	$ 571,645	$ 40,455
Revenue Bonds		3,218,652	717,050	333,665	3,602,037	239,540
Total Bond Principal		3,829,477	717,050	372,845	4,173,682	279,995
Plus: Premiums		369,280	95,175	63,616	400,839	-
Less: Discounts		310	-	175	135	-
Total Bonds Payable		4,198,447	812,225	436,286	4,574,386	279,995
Capital Leases/Notes/Mortgages		184,946	10,656	14,700	180,902	14,159
Claims & Judgments		60,628	8,872	9,937	59,563	5,464
Compensated Absences	†	279,214	24,175	24,168	279,221	23,671
Net Pension Liabilities		3,101,879	762,137	895,806	2,968,210	-
Other Long-Term Liabilities	††	9,028	651	1,403	8,276	-
Other Post-Employment Benefits		936,926	223,545	84,898	1,075,573	-
Total Governmental Activities		**8,771,068**	**1,842,261**	**1,467,198**	**9,146,131**	**323,289**
Business-type Activities:						
Revenue Bonds		633,492	47,602	46,547	634,547	27,295
Capital Leases/Notes/Mortgages		5,848	566	1,807	4,607	2,216
Claims & Judgments		16,763	6,986	14,178	9,571	5,312
Compensated Absences	†	30,574	2,532	4,815	28,291	5,079
Net Pension Liabilities		540,664	178,531	223,278	495,917	-
Other Long-Term Liabilities	‡	13,697	-	2,717	10,980	121
Other Post-Employment Benefits		39,871	9,282	3,526	45,627	-
Total Business-Type Activities		**1,280,909**	**245,499**	**296,868**	**1,229,540**	**40,023**
Total Primary Government		**$ 10,051,977**	**$ 2,087,760**	**$ 1,764,066**	**$ 10,375,671**	**$ 363,312**
Component Units:						
Revenue Bonds		$ 4,302,290	$ 362,934	$ 510,765	$ 4,154,459	$ 155,241
Capital Leases/Notes/Mortgages		196,555	29,452	40,527	185,480	14,453
Compensated Absences	†	164,646	4,423	2,836	166,233	146,653
Net Pension Liabilities		3,432,858	1,092,568	1,357,535	3,167,891	-
Claims & Judgments		119,943	1,213,558	1,228,323	105,178	90,439
Other Long-Term Liabilities	§	124,140	21,887	637	145,390	-
Other Post-Employment Benefits		10,429	2,596	986	12,039	-
Total Component Units		**$ 8,350,861**	**$ 2,727,418**	**$ 3,141,609**	**$ 7,936,670**	**$ 406,786**

† Compensated Absences debt is liquidated proportionately by all funds having payroll costs.

†† Other Long-term liabilities are payable as follows: Administrative Office of Courts $7,155, Dept of Education $217, Dept of Finance $557, Dept of Transportation $174 and Alabama Law Enforcement Agency $173.

‡ Other Long-term liabilities are payable as follows: State Port Authority $10,007 amd Alabama College System $973.

§ Other Long-term liabilities are payable as follows: Dept of Environmental Management $122, University of Alabama $29,375, Auburn University $48,774, University of South Alabama, $62,646, University of North Alabama, $364, Alabama State University, $4,109.

NOTE 5 - DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

All of the deferred inflows of resources which total $518,796,000 reported in the Balance Sheet of the Governmental Funds are unavailable revenues that are not recognized as revenue under the modified accrual basis of accounting in the Statement of Revenues, Expenditures, and Changes in Fund Balances. The other Deferred Outflows of Resources and Deferred Inflows of Resources are summarized in the following tables.

(Amounts in Thousands)	Primary Government			
	Governmental Activities	**Business-Type Activities**	**Total**	**Component Units**
Deferred Outflows of Resources				
Hedging Interest Rate Swap	$ -	$ -	$ -	$ 8,100
Pension Related	219,169	41,013	260,182	286,764
Losses from Bond Refundings	106,099	7,781	113,880	67,484
Total Deferred Outflows of Resources	**$ 325,268**	**$ 48,794**	**$ 374,062**	**$ 362,348**
Deferred Inflows of Resources				
Gains from Bond Refundings	$ 781	$ 3,519	$ 4,300	$ 213
Advance Grant Revenue	-	-	-	206
Pension Related	173,085	45,186	218,271	283,126
Total Deferred Inflows of Resources	**$ 173,866**	**$ 48,705**	**$ 222,571**	**$ 283,545**

(Amounts in Thousands)	Business-Type Activities Enterprise Funds				
	State Port Authority	**Alabama Community College System**	**Alcoholic Beverage Control Board**	**Nonmajor**	**Total Business-Type Activities**
Deferred Outflows of Resources					
Pension Related	$ 2,708	$ 34,974	$ 3,029	$ 302	$ 41,013
Losses from Bond Refundings	5,330	2,451	-	-	7,781
Total Deferred Outflows of Resources	**$ 8,038**	**$ 37,425**	**$ 3,029**	**$ 302**	**$ 48,794**
Deferred Inflows of Resources					
Pension Related	$ 1,229	$ 40,934	$ 2,596	$ 427	$ 45,186
Gains from Bond Refundings	-	3,519	-	-	3,519
Total Deferred Inflows of Resources	**$ 1,229**	**$ 44,453**	**$ 2,596**	**$ 427**	**$ 48,705**

(Amounts in Thousands)	Component Units						
	Housing Finance Authority	University of Alabama	Auburn University	University of South Alabama	Public Health Insurance	State Health Insurance	Nonmajor
Deferred Outflows of Resources							
Hedging Interest Rate Swap	$ -	$ 564	$ -	$ 3,427	$ -	$ -	$ 4,109
Losses from Bond Refundings	-	26,638	26,954	145	-	-	13,747
Pension Related	160	155,835	53,230	22,798	275	641	53,825
Total Deferred Outflows of Resources	**$ 160**	**$ 183,037**	**$ 80,184**	**$ 26,370**	**$ 275**	**$ 641**	**$ 71,681**
Deferred Inflows of Resources							
Gains from Bond Refundings	$ -	$ 213	$ -	$ -	$ -	$ -	$ -
Pension Related	1,212	161,438	39,307	35,891	185	423	44,670
Advance Grant Revenue	-	-	206	-	-	-	-
Total Deferred Inflows of Resources	**$ 1,212**	**$ 161,651**	**$ 39,513**	**$ 35,891**	**$ 185**	**$ 423**	**$ 44,670**

NOTE 6 - INTERFUND ACTIVITY AND INTRA-ENTITY BALANCES

A. Interfund Balances

Interfund balances as of September 30, 2015 consisted of (amounts in thousands):

	DUE FROM												
DUE TO	General Fund	Education Trust Fund	Alabama Trust Fund	Medicaid Fund	Public Road & Bridge Fund	Public Welfare Trust Fund	Nonmajor Govern-mental	Unem-ployment Compen-sation	Alcoholic Beverage Control Board	Nonmajor Enterprise Funds	Internal Service Funds	Fidu-ciary Funds	Total
General Fund	$ 0	$ 191	$ 0	$ 0	$ 0	$ 0	$ 1,489	$ 0	$ 16,042	$ 0	$ 20	$ 0	$ 17,742
Education Trust	13	-	-	-	-	-	48	-	581	-	-	-	642
Alabama Trust	161,566	-	-	-	-	-	-	-	-	-	-	-	161,566
Medicaid Fund	300	353	-	-	-	2,336	20,060	-	-	-	12	-	23,061
Public Road & Bridge Fund	16	-	-	-	-	140	170	-	-	-	294	-	620
Public Welfare Trust Fund	-	15	-	8,061	-	-	474	-	6,950	-	-	-	15,500
Nonmajor Governmental	7,723	7,329	-	62,616	877	2,353	16,343	6,500	3,048	1,001	33	-	107,823
Unemployment Compensation	-	-	-	-	-	-	78	-	-	-	-	-	78
Alcoholic Beverage Control Board	-	-	-	-	-	-	103	-	-	-	-	-	103
Nonmajor Enterprise Funds	82	-	-	-	15	-	11,634	-	-	-	742	-	12,473
Internal Service Funds	1,237	594	-	2,488	838	3,787	7,132	-	211	9,999	854	8	27,148
Totals	$ 170,937	$ 8,482	$ -	$ 73,165	$1,730	$ 8,616	$ 57,531	$ 6,500	$ 26,832	$ 11,000	$ 1,955	$ 8	$ 366,756

The majority of the interfund balances due to the Nonmajor Governmental Funds from the General Fund, Education Trust Fund, Medicaid, Unemployment Compensation Fund, and the Nonmajor Governmental Funds consist of routine short term borrowings of cash between funds of individual agencies.

The General Fund has the most interfund payables, $170,937,000 in total. Of that amount, $161,566,000 is to repay the General Fund Rainy Day Account within the Alabama Trust Fund which was used to alleviate a budget shortfall in fiscal year 2010. Pursuant to Amendment No. 803 *Constitution of Alabama 1901*, the Legislature must provide for the replenishment of the account within ten years after withdrawal.

The Education Trust Fund has interfund payables of $8,482,000 in total. Of that amount, $7,329,000 was payable to Nonmajor Governmental Funds.

Medicaid owed $8,061,000 to the Public Welfare Trust Fund and $62,616,000 to Nonmajor Governmental Funds. Of the amount owed to Nonmajor Governmental Funds, $40,675,000 is due to Mental Health, $8,168,000 is due to Senior Services, $10,537,000 is due to Public Health, $2,417,000 is due to Youth Services, $818,000 is due to Rehabilitation Services, and $1,000 is due to Legislative Reference Services.

Nonmajor Governmental Funds have interfund payables totaling $57,531,000. Of that amount, $20,060,000 is owed to Medicaid, $16,343,000 is owed to other Nonmajor Governmental Funds, and $7,132,000 is owed to Internal Service Funds for goods and services.

The Alcoholic Beverage Control Board (ABC) has interfund payables totaling $26,832,000. ABC owed $16,042,000 to the General Fund and $6,950,000 to the Public Welfare Trust Fund. ABC is required by law to distribute profits and certain taxes collected to those two funds and local governments. The law also allows ABC to delay distribution for 120 days in order to maintain sufficient operating cash.

The Alabama Trust Fund has the largest interfund receivables, $161,566,000 due from the General Fund as previously noted. Nonmajor Governmental Funds rank second in interfund receivables, at $107,823,000. Over half, or $62,616,000 is due from Medicaid. The Internal Service Funds rank third in interfund receivables, at $27,148,000. The Internal Service Fund receivables generally represent normal billings for services rendered or goods sold to the other funds late in the fiscal year which will be paid early in the subsequent fiscal year. The Medicaid Fund had $23,061,000 in receivables. $12,279,000 of that amount is due from Department of Mental Health, a Nonmajor Governmental Fund.

B. Balances with Component Units

Balances owed by state funds to component units at September 30, 2015, consisted of (amounts in thousands):

	PAYABLE TO		
PAYABLE BY	State Employees' Health Insurance	Nonmajor Component Units	Total
General Fund	$ 115	$ 10	$ 125
Education Trust Fund	-	46	46
Public Road and Bridge Fund	6	27	33
Nonmajor Governmental	122	766	888
Nonmajor Enterprise Funds	-	-	-
Internal Service Funds	24	-	24
Primary Government	-	5,201	5,201
Totals	$ 267	$ 6,050	$ 6,317

Water Pollution Control Authority, a Nonmajor component unit, has a long term receivable of $5,201,000 that is due from the primary government as a whole. The second largest payable of $766,000 is a short term payable owed by Nonmajor Governmental Funds to the Supercomputer Authority and other nonmajor component units. The $122,000 short term payable was owed to the State Employees' Health Insurance mostly by Administrative Office of Courts which is a Nonmajor Governmental fund.

Balances owed to state funds by component units at September 30, 2015 consisted of (amounts in thousands):

	PAYABLE FROM				
PAYABLE TO	University of Alabama	State Employees' Health Insurance	Public Education Employees' Health Insur	Nonmajor Component Units	Total
Nonmajor Governmental	$ 48,584	$ 471	$ -	$ 2,283	$ 51,338
Nonmajor Enterprise	-	4	-	10	14
Internal Service Funds	-	64	5	37	106
Totals	$ 48,584	$ 539	$ 5	$ 2,330	$ 51,458

The component units of the State owe $51,458,000 to various funds of the State. The largest amount, $48,584,000, is owed by the University of Alabama to the Department of Mental Health for the purchase of the Bryce Hospital property and the construction of replacement facilities. $2,283,000 is owed to Nonmajor Governmental funds by Nonmajor Component Units. Of that amount, $1,198,000 is owed by the Water Pollution Control Authority and $825,000 is owed by the Drinking Water Finance Authority. Both payables were owed to the Department of Environmental Management primarily for administrative and payroll costs. State Insurance Fund, a Nonmajor Enterprise Fund, financed building renovations for Crime Victims Compensation, a Nonmajor Component Unit in the amount of $10,000 for a period of less than one year. The Internal Service Fund receivable of $106,000 is owed for routine billings of services rendered.

C. Balances between Component Units

There were not any balances owed between component units at September 30, 2015.

D. Interfund Transfers

Transfers among the various funds of the primary government during fiscal year 2015 were as follows (amounts in thousands):

	TRANSFERS IN													
TRANSFERS OUT	General Fund	Education Trust Fund	Ala Trust Fund	Medicaid Fund	Public Road & Bridge Fund	Public Welfare Trust Fund	Nonmajor Governmental	Unemployment Compensation	Alabama Community College System	Alcoholic Beverage Control Board	Nonmajor Enterprise	Internal Service Funds	Fiduciary Funds	Total
General Fund	$ 0	$ 0	$ 10,000	$ 22,349	$ 0	$ 59,135	$ 269,323	$ 2	$ 0	$ 0	$ 0	$ 8,227	$ 0	$ 369,036
Education Trust Fund	1,023	-	-	7,437	-	30,415	85,870	-	325,038	-	3,783	214	23,558	477,338
Alabama Trust	246,730	-	-	-	-	-	75,916	-	-	-	-	-	-	322,646
Medicaid	-	-	-	-	-	64,775	714,199	-	-	-	-	635	-	779,609
Public Road & Bridge Fund	-	-	-	-	-	-	132,269	-	-	-	-	2,394	-	134,663
Public Welfare Trust Fund	-	48	-	34,765	505	-	47,208	-	-	-	-	2,005	-	84,531
Nonmajor Governmental	92,263	-	674	221,296	229,438	2,718	677,075	894	6,582	114	-	9,740	-	1,240,794
Unemployment Compensation	-	-	-	-	-	-	11,380	-	-	-	-	-	-	11,380
State Port Auth	-	-	-	-	-	-	58	-	-	-	-	-	-	58
Alcoholic Beverage Control Board	16,993	-	-	-	-	596	2,105	-	-	-	-	339	-	20,033
Nonmajor Enterprise	-	-	-	-	-	-	8,668	-	-	-	-	4,074	-	12,742
Internal Service Funds	-	-	-	-	-	-	1,947	-	-	-	-	5,882	-	7,829
Fiduciary Funds	-	-	-	-	-	-	928	-	-	-	-	-	-	928
Totals	$ 357,009	$ 48	$ 10,674	$ 285,847	$ 229,943	$ 157,639	$ 2,026,946	$ 896	$ 331,620	$ 114	$ 3,783	$ 33,510	$ 23,558	$ 3,461,587

Transfers are often made between funds as required by the legislature in the appropriation acts as well as by a variety of existing statutes. Of the $369,036,000 transferred to other funds by the General Fund, $201,193,000 was transferred in compliance with the appropriation acts. Of that amount, $59,135,000 was transferred to the Public Welfare Trust Fund, $45,000,000 was transferred to the Fair Trial Tax Fund, a Nonmajor Governmental Fund, and $32,981,000 was transferred to the Department of Public Health, a Nonmajor Governmental Fund. The remaining General Fund transfers were made in small amounts to comply with a variety of statutes.

Of the $477,338,000 transferred out of the Education Trust Fund, $438,252,000 was transferred in compliance with the appropriation acts. Of that amount, $325,038,000 was transferred to supplement the operations of the Alabama Community College System. The Public Welfare Trust Fund received $30,415,000 and the Mental Health Department received $44,202,000. The remaining Education Trust Fund transfers were made in small amounts to comply with various statutes.

The Alcoholic Beverage Control Board transferred $16,993,000 to the General Fund and $596,000 to the Public Welfare Trust Fund, which represents those funds' statutorily mandated share of the Board's profits.

The Alabama Trust Fund, in compliance with amendments to the *Constitution of Alabama of 1901*, is required to transfer a substantial portion of its earnings to other funds. In compliance with these amendments, the General Fund received $246,730,000, and the Nonmajor Governmental Funds received $75,916,000. Within the Nonmajor Governmental Funds, the Forever Wild Land Trust Fund received $14,628,000, the County Government Capital Improvement Fund received $14,628,000, the Municipal Government Capital Improvement Fund received $14,628,000**,** the Alabama Capital Improvement Trust Fund received $24,409,000, the County and Municipal Capital Improvement Trust Fund received $6,102,000, the Senior Services Trust Fund received $1,463,000 and the Game and Fish Fund received $58,000.

NOTE 7 - RISK MANAGEMENT

A. Finance Department Division of Risk Management

The State manages risk through risk control and risk financing to minimize the adverse effects of certain types of losses. Risk financing includes self-insurance through several different funds. The State Insurance Fund provides coverage for state buildings and contents against fire and casualty losses. The General Liability Trust Fund insures state employees against the risk of loss from employment-related liability claims. The State Employee Injury Compensation Trust Fund was created by the 1994 legislature to provide benefits to eligible state employees for job-incurred injury. The State Insurance Fund, the General Liability Trust Fund, and the State Employee Injury Compensation Trust Fund are administered by the Division of Risk Management of the Department of Finance.

There was no significant reduction in insurance coverage by the three Division of Risk Management funds from the prior year. These funds do not have acquisition costs; therefore, no cost is amortized for the period. The funds use the accrual basis of accounting for reporting purposes. As required by GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools," most investments are recorded at fair value. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Estimated claims liabilities are calculated by a professional actuary based on prior claims data. Non-incremental claims adjustment expenses have not been included as part of the liability for any of the funds.

The separately issued financial report of the Division of Risk Management contains additional note disclosures and supplementary information regarding claims development and liabilities.

1. State Insurance Fund

The State Insurance Fund (SIF) was established in 1923 and is under the *Code of Alabama 1975*, Section 41-15-1 for the purpose of insuring direct physical loss on buildings and contents in which title in whole or in part is vested in the State of Alabama or any of its agencies or institutions or in which funds provided by the State have been used for the purchases of land, construction of buildings, purchase or maintenance of any equipment, machinery, furniture, fixtures or supplies in such buildings and public school buildings together with the contents of all such buildings. All covered property shall be insured for no more than its replacement cost and shall be insured for no less than 80 percent of its actual cash value. Salvage value coverage, used on property that is normally uninsurable, is determined by applying eight percent of the property's reconstruction value. City boards of education may insure school buildings and property either in the State Insurance Fund or with an insurance company, whichever in the opinion of such board provides the best coverage for such school buildings and property. The principles of private industry insurance companies are utilized to establish rates, premium discounts, and experience credits to result in equitable premiums charged to policyholders. Excess insurance and reinsurance is acquired to assure the solvency of the fund. The State of Alabama, 122 city and county boards of education, and 19 entities in which State funds were used for capital acquisitions are participants in the pool.

Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have occurred but have not yet been reported. This liability and expense is determined by a professional actuary. The SIF has a $7,500,000 cumulative loss annual deductible and a $3,500,000 specific loss deductible for all perils except wind, and a $20,000,000 specific loss deductible for wind losses. Excess insurance covers claims exceeding the deductible with a $250 million limit for named wind storms and a $1.5 billion limit for all other perils. Second event wind coverage for $19,000,000 in excess of $1,000,000 is purchased to provide additional protection to the SIF. Payments received in fiscal years 2015, 2014, and 2013 for settlements in excess of deductibles totaled $6,200,000, $15,305,000, and $0 respectively.

The following table presents the changes in claims liabilities for the past two years:

(Amounts in Thousands)	September 30, 2015	2014
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 13,865	$ 17,863
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	8,300	11,500
Increase (Decrease) in provision for insured events of prior years	(2,280)	(1,150)
Total incurred claims and adjustment expenses	6,020	10,350
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(2,857)	(3,823)
Claims and adjustment expenses attributable to insured events of prior years	(10,173)	(10,525)
Total payments	(13,030)	(14,348)
Reported claims payable and estimated claims incurred but not reported at end of year	$ 6,855	$ 13,865

A schedule of ten-year loss development information for the State Insurance Fund is in the Required Supplementary Information section of the CAFR.

2. General Liability Trust Fund

The General Liability Trust Fund (GLTF) was established in 1984 to protect state employees from personal financial liability resulting from lawsuits that are based on alleged negligence while acting within the line and scope of state employment. Claims are investigated and defended through the Office of the Attorney General. Auto liability is fully reinsured and the re-insurer, American Southern Insurance Company, handles all claims. The GLTF is managed much like a commercial insurance company, with exposure evaluated and commensurate premiums assigned to state agencies. Investment activities are an essential part of the General Liability Trust Fund's ability to maintain lower-cost employee liability coverage. Funds in excess of those needed for immediate operations are invested to maximize return and keep premiums down.

Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have occurred but have not yet been reported. This liability and expense is determined by a professional actuary. Excess insurance was procured effective January 15, 2011. Excess insurance was not purchased in fiscal year 2015. Payments received in fiscal years 2015, 2014 and 2013 for settlements in excess of deductibles for old claims (prior to April 2002) totaled $0, $0 and $979,002, respectively.

The following table presents the changes in claims liabilities for the past two years:

(Amounts in Thousands)	September 30,	
	2015	2014
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 25,415	$ 27,146
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	5,123	6,664
Increase (Decrease) in provision for insured events of prior years	(3,870)	(5,589)
Total incurred claims and adjustment expenses	1,253	1,075
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(130)	(600)
Claims and adjustment expenses attributable to insured events of prior years	(2,832)	(2,206)
Total payments	(2,962)	(2,806)
Reported claims payable and estimated claims incurred but not reported at end of year	$ 23,706	$ 25,415

3. State Employee Injury Compensation Trust Fund

The State Employee Injury Compensation Trust Fund (SEICTF) was created by the legislature on October 1, 1994. Its purpose is to provide benefits to eligible state employees for job-incurred injury. Benefits under SEICTF are administered by the Department of Finance, Division of Risk Management in accordance with the Alabama Administrative Code and include all reasonable medical expenses arising from a job-incurred injury, lost wages (including benefits for time lost from the job), and benefits to dependents of employees who are fatally injured on the job. Specifically excluded from coverage are employees of the State Port Authority, educational institutions, and local boards of education. A key element in assuring effective and efficient operation of SEICTF was the creation of a statewide medical provider network with a focus on professionals who are experts in treating occupational injury.

Losses are recorded as current liabilities and expenses in the year reported. IBNR recognizes losses that have occurred but have not been reported. This liability and expense is determined by a professional actuary.

The following table presents the changes in claims liabilities for the past two years:

(Amounts in Thousands)	September 30,	
	2015	2014
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 30,061	$ 29,421
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	5,948	5,863
Increase (Decrease) in provision for insured events of prior years	(1,600)	228
Total incurred claims and adjustment expenses	4,348	6,091
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(1,852)	(1,724)
Claims and adjustment expenses attributable to insured events of prior years	(3,292)	(3,727)
Total payments	(5,144)	(5,451)
Reported claims payable and estimated claims incurred but not reported at end of year	$ 29,265	$ 30,061

The Department of Transportation finances its own risk for state employee injury compensation. This table includes the changes in claims liabilities for the Department of Transportation as well as Risk Management. Claims liabilities at the beginning of the year for Transportation totaled $10,294,000, and total claims payments were $1,682,000 in 2015. The Department of Transportation had $10,256,000 in claims liabilities at the end of the year.

B. Health Insurance Plans

1. State Employees' Insurance Plan

The State Employees' Insurance Plan (SEIP) was established in 1965 by Alabama Act No. 833 to provide health insurance benefits for state employees. The SEIP is administered by the State Employees' Insurance Board (SEIB). The monthly premiums for employee and dependent coverage are determined annually and are set at a rate necessary to provide sufficient funds to pay all claims and reasonable expenses of administering the plans. The State pays a monthly premium for each employee and the employee pays the established dependent premium. The SEIB establishes claims liabilities based on estimates of the ultimate cost of claims (including estimated future retroactive claims adjustments) that have been reported but not settled, and of estimated claims that have been incurred but not reported. Actual claims costs ultimately incurred may vary from estimated claims liabilities should the nature and frequency of actual claims vary from historical claims experience on which the estimates are based. Adjustments of the estimated claims liabilities based on actual results are charged or credited to expense in the periods in which such adjustments are determined.

The following table represents changes in claims liabilities for SEIB during the past two years :

(Amounts in Thousands)	September 30, 2015	2014
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 45,453	$ 42,514
Incurred claims and adjustment expenses:		
Provision for insured claims of the current year	337,883	441,040
Adjustment to estimated claims incurred but not reported at end of year	(12,412)	73
Total incurred claims and adjustment expenses	325,471	441,113
Payments:		
Claims and adjustment expenses attributable to insured claims of the current year	(315,747)	(412,484)
Claims and adjustment expenses attributable to insured claims of prior years	(30,210)	(25,690)
Total payments	(345,957)	(438,174)
Reported claims payable and estimated claims incurred but not reported at end of year	$ 24,967	$ 45,453

At year-end, unpaid claims liabilities are computed using the gross method without discounting the accrued claims payable. The separately issued financial report contains note disclosures and supplementary information regarding claims development.

2. Public Education Employees' Health Insurance

The Public Education Employees' Health Insurance Fund (PEEHIF) was established in 1983 by the provisions of *Act 83-455* to provide a uniform plan of health insurance for current and retired employees of public educational institutions and to provide a method of funding the benefits related to the plan. The plan is administered by the Public Education Employees' Health Insurance Board (PEEHIB).

The State contributes a specified amount monthly to each respective participating school system. Each participating school system must then pay the employer rate to the PEEHIF each month. The employer rate per participant was increased from $714 in 2014 to $780 in 2015. In addition to the employer payments each month, the employee pays certain premium amounts. PEEHIB established claims liabilities based on the actual cost of claims reported but not settled, and estimates of claims that have been incurred but not reported. Actual claims costs ultimately incurred may vary from estimated claims liabilities should the nature and frequency of actual claims vary from historical claims experience on which the estimates are based. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. Note that $5,000 of unpaid claims at year-end is classified as due to the primary government.

The following table presents the changes in claims liabilities during 2015 and 2014:

(Amounts in Thousands)	September 30, 2015	2014
Unpaid claims and claim adjustment expense at beginning of year	$ 74,363	$ 63,199
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	874,208	795,285
Increase (Decrease) in provision for insured events of prior years	(3,168)	(16)
Total incurred claims and adjustment expenses	871,040	795,269
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	(795,591)	(720,923)
Claims and adjustment expenses attributable to insured events of prior years	(71,195)	(63,182)
Total payments	(866,786)	(784,105)
Total unpaid claims and adjustment expenses at end of year	$ 78,617	$ 74,363

The separately issued financial report contains additional note disclosures and supplementary information regarding claims development.

3. Alabama Health Insurance Plan

The Alabama Health Insurance Plan (AHIP) was established to provide health insurance coverage to eligible individuals as an alternative to federal oversight required in the Health Insurance Portability and Accountability Act of 1996. AHIP was established in 1997 under Regulation 115 pursuant to Act 97-713, codified as Section 27-52-1 in the *Code of Alabama 1975,* and is governed by an eight member Board of Directors. The plan provides major medical benefits. The plan provides that participants pay monthly premiums for health insurance coverage. Coverage is also available for eligible dependents of participants. Premiums are determined annually and are set at a rate necessary to provide sufficient funds to pay all claims and reasonable expenses of administering the plan.

In addition to funding via premiums, Regulation No. 115 authorizes the Plan to recoup losses by assessing participating insurers based on their health insurance premiums written in the State for any year in which the Plan incurs a deficit. Assessments in excess of actual losses are to be held in interest bearing accounts and used by AHIP to offset future losses or to reduce future assessments. AHIP obtained zero funding from assessments in 2015 and 2014.

AHIP established claims liabilities based on estimates of the ultimate cost of claims (including future retroactive claims adjustments) that have been reported but not settled and of estimated claims that have been incurred but not reported. The estimation of claims costs depends on many factors including historical loss experience. Adjustments of the estimated claims liabilities based on actual results are charged or credited to expense in the periods in which such adjustments are determined.

The following table presents the changes in claims liabilities during the past two years:

(Amounts in Thousands)	September 30, 2015	September 30, 2014
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 150	$ 2,914
Incurred claims and adjustment expenses:		
Provision for insured events of the current year	(108)	9,953
Increase (Decrease) in provision for insured events of prior years	(140)	(1,590)
Total incurred claims and adjustment expenses	(248)	8,363
Payments:		
Claims and adjustment expenses attributable to insured events of the current year	260	(9,357)
Claims and adjustment expenses attributable to insured events of prior years	(150)	(1,770)
Total payments	110	(11,127)
Reported claims payable and estimated claims incurred but not reported at end of year	$ 12	$ 150

The separately issued financial report contains additional note disclosures and supplementary information regarding claims development.

4. Alabama State Port Authority

The Alabama State Port Authority is partially self-insured with respect to workers' compensation claims. Each claim for a loss in excess of the established $750,000 or $1,000,000, depending on the classification code of the affected employee, is covered up to a $25 million policy limit. The liability for uninsured claims includes an estimated amount for claims that have been incurred but have not been reported. The following represents changes in those aggregate liabilities for the Authority during the past two years:

(Amounts in Thousands)	September 30, 2015	September 30, 2014
Reported claims payable and estimated claims incurred but not reported at beginning of year	$ 2,748	$ 3,254
Provision for claims	966	(91)
Total payments	(1,010)	(415)
Reported claims payable and estimated claims payable incurred but not reported at end of year	$ 2,704	$ 2,748

The separately issued financial report contains additional note disclosures and supplementary information regarding claims development.

NOTE 8 - RETIREMENT PLANS

A. Retirement Systems of Alabama

The Retirement Systems of Alabama (RSA) administers the following three retirement programs for the benefit of state employees, public education employees, and judges: Teachers' Retirement System, Employees' Retirement System, and Judicial Retirement Fund.

1. Plan Descriptions

The Teachers' Retirement System of Alabama (TRS) is a cost-sharing multiple-employer defined benefit pension plan, established as of September 15, 1939, under the provisions of the 1939 *Alabama Acts* 419. The TRS provides retirement allowances and other specified benefits for qualified persons employed by State-supported educational institutions. The Board of Control has responsibility for the general administration and operation of the TRS.

The Employees' Retirement System of Alabama (ERS) is an agent multiple-employer defined benefit pension plan established as of October 1, 1945, under the provisions of the 1945 *Alabama Acts* 515. The ERS provides retirement allowances and other specified benefits for state employees, state police, and on an elective basis, to all cities, counties, towns, and quasi-public organizations. The Board of Control is responsible for the general administration and operation of the ERS.

The ERS Board of Control consists of 13 trustees. Four trustees are ex officio members: the Governor, the State Treasurer, the State Personnel Director, and the State Finance Director. Three trustees are vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of State government nor from any department of which an ex officio trustee is the head. The remaining six trustees of ERS are elected by members from the same category of ERS for a term of four years. These six trustees include one from the ranks of retired state employees, one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS, two vested active state employees and two vested active employees of an employer participating in ERS pursuant to *The Code of Alabama § 36-27-6*.

As of September 30, 2014, membership consisted of:

Number of Active and Retired Members
As of September 30, 2014

Group	State Employees	State Police	Total
Retirees and beneficiaries currently receiving benefits	22,118	861	22,979
DROP Participants	589	16	605
Terminated employees entitled to but not yet receiving benefits	2,687	11	2,698
Non-vested inactive members who have not contributed for more than 5 years	18,793	-	18,793
Active members	28,977	715	29,692
Total	73,164	1,603	74,767

The Judicial Retirement Fund (JRF) is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, established under the 1973 *Alabama Acts* 1163. The JRF provides retirement allowances and other specified benefits for any Justice of the Supreme Court of Alabama, Judge of the Court of Civil Appeals, Judge of the Court of Criminal Appeals, Judge of the Circuit Court, or office holder of any newly created judicial office receiving compensation from the State Treasury. Act Number 1205 of the legislature of 1975 supplemented the provisions of Act Number 1163 and enlarged the scope and coverage of the JRF to include District and Probate Judges. The Board of Control of the ERS administers and operates the JRF.

As of September 30, 2014, membership consisted of:

Number of Active and Retired Members
As of September 30, 2014

Group	State Employees
Retirees and beneficiaries currently receiving benefits	375
Terminated employees entitled to but not yet receiving benefits	48
Active members	338
Total	761

a. Benefits Provided

The TRS, ERS, and JRF provide retirement benefits as well as death and disability benefits as established by State law. Changes to benefits, including ad hoc cost of living adjustments, must be established by statute. Benefits for TRS and ERS members vest after 10 years of credited service.

Tier 1 employees are those employees who were hired before January 1, 2013. This paragraph describes benefits available to Tier 1 employees. Teachers and state employees who retire after age 60 (52 for state police) with 10 years of credited service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Service retirement benefits are calculated by two methods with the member receiving payment under the method which yields the highest monthly benefit: (1) minimum guaranteed, or (2) formula. Under the formula method, members of TRS and ERS (except state police) are allowed 2.0125 percent of their final average salary (highest 3 of the last 10 years) for each year of service. State police are allowed 2.875 percent for each year of state police service in computing the formula method. Disability retirement benefits are calculated in the same manner. JRF benefits vest from five to eighteen years. Except for justices or judges who were either disabled, elected prior to July 30, 1979, or have at least 25 years of credited service, no justice or judge shall be eligible to receive judicial service retirement pay prior to attaining sixty years of age. Service retirement benefits for justices and judges are dependent upon the particular office held in the judicial branch of government. A retirement benefit is payable upon the request of any member who has: (1) 25 years of credited service (regardless of age), (2) completed 12 years of credited service and has attained age 65, (3) completed 15 years of credited service and whose age plus service equals or exceeds 77, (4) completed 10 years of credited service and has attained age 70, or (5) been elected prior to July 30, 1979 and has 18 years of service (regardless of age). A member eligible to retire who has not requested his retirement benefit to commence at the end of the term in which his seventieth birthday occurs is entitled only to the refund of his contributions (except for members with at least 25 years of credited service). The service retirement benefit for circuit, appellate, and probate judges is 75 percent of the member's salary at the time of separation from service. The service retirement benefit for a district judge is 75 percent of the position's salary immediately prior to retirement.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for TRS and ERS members hired on or after January 1, 2013. Tier 2 TRS and ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of credited service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the TRS and ERS (except State Police) are allowed 1.65 percent of their average final compensation (highest 5 of the last 10 years) for each year of service. State Police are allowed 2.375 percent for each year of state police service in computing the formula method.

A pre-retirement death benefit is offered in which the account is credited with TRS and ERS employer contributions and investment income on such funds. The pre-retirement death benefit (group term life insurance) is paid in addition to the return of member contributions upon the death of an active TRS or ERS member who has completed at least one year of active membership in the system and whose date of death was within 180 days of the member's last date of actual service. However, a surviving spouse beneficiary of a deceased member who was eligible for service retirement may elect a survivor allowance in lieu of this benefit. The pre-retirement death benefit is equal to the annual earnable compensation of the member as reported to the system for the preceding year ending June 30 for TRS and September 30 for ERS. JRF does not offer a pre-retirement death benefit.

When a member withdraws from service prior to becoming vested, the member's accumulated contributions and a portion of accumulated interest credited to the Annuity Savings account are returned to the member. The portion of accumulated interest, which by law is not payable to the member, is transferred to the Expense Fund.

b. Pension Plan Financial Report

RSA issued a stand-alone financial report that includes financial statements and required supplementary information (including GASB Statement No. 67 disclosures) for the year ended September 30, 2015. Copies may be obtained from the RSA website at www.rsa-al.gov or by writing to:

The Retirement Systems of Alabama
P.O. Box 302150
201 South Union Street
Montgomery, AL 36130-2150

2. Summary of Significant Accounting Policies

a. Basis of Accounting

The TRS, ERS, and JRF pension plan fiduciary net positions have been determined on the same basis used by the pension plans. The TRS, ERS, and JRF financial statements are prepared using the economic resources measurement focus and accrual basis of accounting consistent with the plans. Contributions are recognized as revenues when earned, pursuant to plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. The financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board. Under these requirements, the TRS, ERS, and JRF are considered component units of the State of Alabama.

b. Investments

The Boards of Control of the Systems have the responsibility and authority to invest and reinvest available funds, through the Secretary-Treasurer and Investment Committee, in bonds, mortgage-backed securities, common and preferred stock, or other investment vehicles with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use. All plan assets are carried at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Short-term investments are reported at cost, which approximates fair value. Mortgage-backed securities are reported based on future principal and interest payments discounted at the prevailing interest rate for similar instruments. The fair value of real estate investments is based on independent appraisals or cost, when cost approximates fair value. Private placements are generally valued based on the selling price of similar investments sold in the open market. As of September 30, 2015, the TRS and ERS owned debt and equity securities of Raycom Media Corporation which represented approximately 8.99 percent and 9.84 percent, respectively, of the TRS and ERS investments. Additionally, TRS owned debt and equity securities of New Water Street Corporation which represented 5.21 percent of the TRS investments.

3. Employee Contribution Requirements

State Law established the contribution requirements and must be amended by state statute. The required contribution rate of active plan members for TRS and ERS (excluding state policemen, and certified firefighters, police officers and correctional officers) is 7.5 percent and 6.0 percent of earnable compensation for Tier 1 and Tier 2 members, respectively. State policemen are required to contribute 10 percent of earnable compensation. JRF members and certified firefighter, police officer, and correctional officer members of the TRS and ERS are required to contribute 8.5 percent of earnable compensation**.** Tier 2 certified law enforcement, correctional officers, and firefighters of the TRS and ERS are required by statute to contribute 7 percent of earnable compensation.

4. Aggregate Disclosures

a. Aggregate Pension Liabilities, Pension Assets, Deferred Outflows, Deferred Inflows and Pension Expense All Pension Funds

Aggregate Amounts
(Amounts in Thousands)

	Total Pension Liabilities	Total Assets	Deferred Outflows	Deferred Inflows	Pension Expense
Governmental-type Activities	$ 8,568,861	$ 5,600,700	$ 219,169	$ 173,085	$ 222,543
Business-type Activities	1,674,059	1,178,141	41,013	45,186	34,521
Totals Primary Government	**$ 10,242,920**	**$ 6,778,841**	**$ 260,182**	**$ 218,271**	**$ 257,064**
Component Units	**$ 10,827,127**	**$ 7,662,978**	**$ 286,764**	**$ 283,126**	**$ 236,930**

5. Disclosures of Individual Plans of the Retirement Systems of Alabama

a. TRS

Employer Contributions Required and Made
As required by statute, the employer contribution rate is actuarially determined based on the amount needed in addition to employee contributions to fund the costs of member benefits earned during the year and to fund unfunded accrued liabilities. For fiscal year 2015, the required employer contribution rate was 11.71 percent for Tier 1 and 11.05 percent Tier 2. Total employer contributions for fiscal year 2015 were $47,203,000 for the primary government ($13,963,000 for governmental activities, $33,240,000 for business-type activities), and $247,945,000 for discretely presented component units.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
The collective net pension liability was measured as of September 30, 2014 and the total pension liability used to calculate the net pension liability (NPL) was determined by an actuarial valuation as of September 30, 2013. Update procedures were used to roll forward the NPL to the reporting date. Each participating TRS unit included in the State's financial report has its own proportion of the collective net pension liability based on the individual participating units' share of contributions to the pension plan relative to the total employer contributions of all participating TRS units. At September 30, 2015, the proportionate share of the primary government and component units' net pension liability was as follows:

TRS
Proportionate Share of Net Pension Liability

	Current Year Proportionate Share		Prior Year Proportionate Share		Change in Proportionate Share	
Governmental-type Activities	2.03	%	1.93	%	0.10	%
Business-type Activities	4.70		4.79		(0.09)	
Totals Primary Government	**6.73**	**%**	**6.72**	%	**0.01**	%
Component Units	**34.13**	%	**34.32**	%	**(0.19)**	%

For the year ended September 30, 2015, the primary government recognized pension expense of $46,522,000 (governmental-type activities - $15,932,000 and business-type activities - $30,590,000) and component units recognized a pension expense of $231,262,000.

As of September 30, 2015 the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TRS
Deferred Outflows and Inflows of Resources
(Amounts in Thousands)

	Govt-type Activities	Business-type Activities	Total Primary Government	Component Units
Deferred Outflows of Resources				
Changes in proportion and differences between employer contributions and proportionate share of contributions	$ 10,152	$ 2,012	$ 12,164	$ 32,613
Employer Contributions Subsequent to the measurement date	13,963	33,240	47,203	247,945
Total Deferred Ouflows of Resources	**$ 24,115**	**$ 35,252**	**$ 59,367**	**$ 280,558**
Deferred Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	$ 13,854	$ 32,007	$ 45,861	$ 232,660
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,739	9,334	11,073	47,552
Total Deferred Inflows of Resources	**$ 15,593**	**$ 41,341**	**$ 56,934**	**$ 280,212**

Employer contributions subsequent to the measurement date reported in the above tables as deferred outflows of resources will reduce the net pension liability reported as of September 30, 2016. Other amounts reported as deferred outflows and deferred inflows of resources will increase/(decrease) pension expense reported in subsequent years as follows:

Increase/(Decrease) to Pension Expenses
(Amounts in Thousands)

Fiscal Year Ended	Governmental Activities	Business-type Activities	Component Units
2016	$ (1,508)	$ (9,702)	$ (61,606)
2017	(1,508)	(9,702)	(61,606)
2018	(1,508)	(9,702)	(61,606)
2019	(1,508)	(9,702)	(61,607)
2020	591	(521)	(1,174)

Actuarial Assumptions
The total pension liability in the September 30, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Projected salary increases	3.5% - 8.25%
Investment rate of returns*	8.00%

*Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of September 30, 2013, were based on the results of an investigation of the economic and demographic experience for the TRS based upon participant data as of September 30, 2010. The Board of Control accepted and approved these changes on January 27, 2012, which became effective at the beginning of fiscal year 2012.

Mortality rates for TRS were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA projected to 2015 and set back one year for females.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation		Long-Term Expected Rate of Return*	
Fixed Income	25.00	%	5.00	%
U.S. Large Stocks	34.00		9.00	
U.S. Mid Stocks	8.00		12.00	
U.S. Small Stocks	3.00		15.00	
International Developed Market Stocks	15.00		11.00	
International Emerging Market Stocks	3.00		16.00	
Real Estate	10.00		7.50	
Cash	2.00		1.50	
Total	**100**	**%**		

*Includes assumed rate of inflation of 2.50%.

Discount rate

The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the System's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7 percent) or 1-percentage-point higher (9 percent) than the current rate:

TRS
Sensitivity to Changes in Discount Rate
(Amounts in Thousands)

	1% Decrease (7%)	Current Rate (8.00%)	1% Increase (9%)
Governmental-type Activities	$ 251,738	$ 184,787	$ 128,043
Business-type Activities	581,585	426,909	295,810
Total Primmary Government	**$ 833,323**	**$ 611,696**	**$ 423,853**
Component Units	**$ 4,221,717**	**$ 3,098,941**	**$ 2,147,306**

b. JRF

As mentioned above, the JRF is a multiple-employer cost sharing plan. The majority of the operations are related to the State. The remaining employers are county governments. All State related operations are governmental-type activities reported within the primary government. The State is responsible for all employer contributions.

Employer Contributions Required and Made

As required by statute, the employer contribution rate is actuarially determined based on the amount needed in addition to employee contributions to fund the costs of member benefits earned during the year and to fund unfunded accrued liabilities. For fiscal year 2015, the required employer contribution rate was 35.24 percent. Total employer contributions for fiscal year 2015 were $14,666,000.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The collective net pension liability was measured as of September 30, 2014 and the total pension liability used to calculate the net pension liability (NPL) was determined by an actuarial valuation as of September 30, 2013. Update procedures were used to roll forward the NPL to the reporting date. All JRF activities are reported in the primary government – governmental-type activities. The State recognized pension expense of $15,029,000 and grant expense for nonemployer support provided to counties of $2,290,000.

Information concerning the NPL, deferred outflow of resources and deferred inflow of resources are presented in the following tables:

JRF
Net Pension Liability
(Amounts in Thousands)

	Employer Share		Nonemployer* Share		Total NPL
	$ 123,395		$ 21,699		$ 145,094
Proportionate Share - Current Year	85.05	%	14.95	%	
Proportionate Share - Prior Year	85.17		14.83		
Change in Proportionate Share	(0.12)	%	0.12	%	

* Represents the portion of the liability paid on behalf of local governments.

JRF
Deferred Outflows and Inflows of Resources
(Amounts in Thousands)

	Deferred Outflows	Deferred Inflows
Employer contributions subsequent to the measurement date	$ 14,666	$ -
Net difference between projected and actual earnings on pension plan investments	-	9,134
Totals	**$ 14,666**	**$ 9,134**

Employer contributions subsequent to the measurement date detailed above as deferred outflows of resources will reduce the net pension liability reported as of September 30, 2016. Other amounts reported as deferred outflows and deferred inflows of resources will increase/(decrease) pension expense and grant expense reported in subsequent years as follows (all expenses are governmental–type activity expenses):

JRF
Increase/(Decrease) to Pension Expenses
(Amounts in Thousands)

Fiscal Year Ended	Employer Pension Expense	Nonemployer Grant Expense
2016	$ (1,985)	$ (299)
2017	(1,985)	(299)
2018	(1,985)	(299)
2019	(1,963)	(319)

Actuarial Assumptions

The total pension liability in the September 30, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Projected salary increases	4.00%
Investment rate of returns*	8.00%

*Net of pension plan investment expense

The actuarial assumptions used in the actuarial valuation as of September 30, 2013, were based on the results of an investigation of the economic and demographic experience for the JRF based upon participant data as of September 30, 2010.

Mortality rates for JRF were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA projected to 2015 and set forward one year for females.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation		Long-Term Expected Rate of Return*	
Fixed Income	25.00	%	5.00	%
U.S. Large Stocks	34.00		9.00	
U.S. Mid Stocks	8.00		12.00	
U.S. Small Stocks	3.00		15.00	
International Developed Market Stocks	15.00		11.00	
International Emerging Market Stocks	3.00		16.00	
Real Estate	10.00		7.50	
Cash	2.00		1.50	
Total	**100**	**%**		

*Includes assumed rate of inflation of 2.50%.

Discount rate
The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following table presents the net pension liability calculated using the discount rate of 8 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7 percent) or 1-percentage-point higher (9 percent) than the current rate:

JRF
Sensitivity to Changes in Discount Rate
Net Pension Liability
(Amounts in Thousands)

1% Decrease (7%)	Current Rate (8%)	1% Increase (9%)
$ 190,495	$ 145,093	$ 105,898

c. State Employer Segment of ERS

Employer Contributions Required and Made
As required by statute, the employer contribution rate is actuarially determined based on the amount needed in addition to employee contributions to fund the costs of member benefits earned during the year and to fund unfunded accrued liabilities. For fiscal year 2015, the required employer contribution rate for state employees was 13.45 percent for Tier 1 employees and 13.31 percent Tier 2 employees. Total employer contributions for fiscal year 2015 were $184,095,000 for the primary government ($179,689,000 for governmental activities, $4,406,000 for business-type activities), and $1,016,000 for component units.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
The State's net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2013 rolled forward to September 30, 2014 using standard roll-forward techniques. The following tables detail the changes in the total pension liability, fiduciary net position and net pension liability:

ERS
Changes in the Net Pension Liability
Employees' Retirement System
Governmental Activities
(Amounts in Thousands)

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2013	$ 7,320,875	$ 4,605,069	$ 2,715,806
Changes for the year:			
Service Costs	113,317	-	113,317
Interest	567,756	-	567,756
Contributions - employer	-	157,848	(157,848)
Contributions - employee	-	98,241	(98,241)
Net investment income	-	544,384	(544,384)
Benefit payments, including refunds of employee contributions	(555,831)	(555,831)	-
Transfers among employees	-	14	(14)
Net changes	125,242	244,656	(119,414)
Balance at September 30, 2014	**$ 7,446,117**	**$ 4,849,725**	**$ 2,596,392**

ERS
Changes in the Net Pension Liability
Employees' Retirement System
Business-type Activities
(Amounts in Thousands)

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2013	$ 174,555	$ 110,543	$ 64,012
Changes for the year:			
Service Costs	2,002	-	2,002
Interest	10,060	-	10,060
Contributions - employer	-	2,726	(2,726)
Contributions - employee	-	1,794	(1,794)
Net investment income	-	9,718	(9,718)
Benefit payments, including refunds of employee contributions	(9,880)	(9,880)	-
Transfers among employees	-	8	(8)
Net changes	2,182	4,366	(2,184)
Balance at September 30, 2014	**$ 176,737**	**$ 114,909**	**$ 61,828**

ERS
Changes in the Net Pension Liability
Employees' Retirement System
Primary Government - Totals
(Amounts in Thousands)

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2013	$ 7,495,430	$ 4,715,612	$ 2,779,818
Changes for the year:			
Service Costs	115,319	-	115,319
Interest	577,816	-	577,816
Contributions - employer	-	160,574	(160,574)
Contributions - employee	-	100,035	(100,035)
Net investment income	-	554,102	(554,102)
Benefit payments, including refunds of employee contributions	(565,711)	(565,711)	-
Transfers among employees	-	22	(22)
Net changes	127,424	249,022	(121,598)
Balance at September 30, 2014	**$ 7,622,854**	**$ 4,964,634**	**$ 2,658,220**

ERS
Changes in the Net Pension Liability
Employees' Retirement System
Component Units
(Amounts in Thousands)

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a)-(b)
Balances at September 30, 2013	$ 46,715	$ 29,584	$ 17,131
Changes for the year:			
Service Costs	397	-	397
Interest	1,994	-	1,994
Contributions - employer	-	540	(540)
Contributions - employee	-	356	(356)
Net investment income	-	1,926	(1,926)
Benefit payments, including refunds of employee contributions	(1,958)	(1,958)	-
Transfers among employees	-	2	(2)
Net changes	433	866	(433)
Balance at September 30, 2014	**$ 47,148**	**$ 30,450**	**$ 16,698**

For the year ended September 30, 2015, the primary government recognized pension expense of $189,800,000 (governmental-type activities - $186,609,000 and business-type activities - $3,191,000) and component units recognized a pension expense of $633,000.

As of September 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ERS
Deferred Inflows and Outflows of Resources
(Amounts in Thousands)

	Govt-type Activities	Business-type Activities	Totals Primary Government	Component Units
Deferred Outflows of Resources				
Changes in proportion and differences between Employer contributions and proportionate share of contributions	$ 692	$ 673	$ 1,365	$ 283
Employer contributions subsequent to the measurement date	179,689	4,406	184,095	1,016
Total Deferred Outflows of Resources	**$ 180,381**	**$ 5,079**	**$ 185,460**	**$ 1,299**
Deferred Inflows of Resources				
Net difference between projected and actual earnings on pension plan investments	$ 146,698	$ 3,749	$ 150,447	$ 1,005
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,648	-	1,648	-
Total Deferred Inflows of Resources	**$ 148,346**	**$ 3,749**	**$ 152,095**	**$ 1,005**

Employer contributions subsequent to the measurement date reported in the above tables as deferred outflows of resources will reduce the net pension liability reported as of September 30, 2016. Other amounts reported as deferred outflows and deferred inflows of resources will increase/(decrease) pension expense reported in subsequent years as follows:

Increase/(Decrease) to Pension Expenses
(Amounts in Thousands)

Fiscal Year Ended	Governmental Activities	Business-type Activities	Component Units
2016	$ (36,914)	$ (769)	$ (180)
2017	(36,914)	(769)	(180)
2018	(36,914)	(769)	(180)
2019	(36,912)	(769)	(182)

Actuarial assumptions
The total pension liability in the September 30, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75% - 7.25%
Investment rate of return*	8.00%

*Net of pension plan investment expense
Mortality rates for ERS were based on the RP-2000 Combined Mortality Table Projected with Scale AA to 2015 set forward three years for males and one year for females. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disability Mortality Table.

The actuarial assumptions used in the September 30, 2013 valuation were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2010. The Board of Control accepted and approved these changes on January 27, 2012, which became effective at the beginning of fiscal year 2012.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation		Long-Term Expected Rate of Return*	
Fixed Income	25.00	%	5.00	%
U.S. Large Stocks	34.00		9.00	
U.S. Mid Stocks	8.00		12.00	
U.S. Small Stocks	3.00		15.00	
International Developed Market Stocks	15.00		11.00	
International Emerging Market Stocks	3.00		16.00	
Real Estate	10.00		7.50	
Cash	2.00		1.50	
Total	**100**	**%**		

*Includes assumed rate of inflation of 2.50%.

Discount rate

The discount rate used to measure the total pension liability was the long term rate of return, 8%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the System's proportionate share of the net pension liability calculated using the discount rate of 8%, as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7%) or 1-percentage-point higher (9%) than the current rate:

ERS
Sensitivity to Changes in Discount Rate
(Amount in Thousands)

	1% Decrease (7.00%)	Current Rate (8.00)%	1% Increase (9.00%)
Governmental Activities	$ 3,325,323	$ 2,596,392	$ 1,974,864
Business-type Activities	79,403	61,828	46,848
Totals - Primary Government	**$ 3,404,726**	**$ 2,658,220**	**$ 2,021,712**
Component Units	**$ 21,445**	**$ 16,698**	**$ 12,652**

B. Other Pension Plans

The State Port Authority administers three single-employer pension plans, the Hourly Plan, the Terminal Railway Plan, and the Hourly Defined Contribution Plan, for a small number of hourly workers and railway employees. The Peace Officers Annuity and Benefit Fund is a cost-sharing multiple-employer defined benefit pension plan that provides a small additional pension benefit to state and local peace officers beyond that which is paid by the Employees' Retirement System. The Clerks and Registers Supernumerary Fund is a cost-sharing multiple-employer defined benefit pension plan that provides pension benefits to circuit clerks and registrars of courts. The Firefighters Annuity and Benefit Fund provides small pension benefits to Alabama certified firefighters. These pension plans are not material to the State.

NOTE 9 - DEFERRED COMPENSATION

The State offers employees the opportunity to participate in optional deferred compensation plans created in accordance with Internal Revenue Service Code (IRC) Section 457. The plans are available to all state employees and permit them to defer a portion of their salary until future years. The current value of the employee contributions may be withdrawn upon termination, retirement, death, or an unforeseeable emergency.

It is the opinion of the State's legal counsel that the State has no liability for losses under these plans but does have the duty of due care that would be required of an ordinary prudent investor.

The Public Employees' Individual Retirement Account Fund/Deferred Compensation Plan (RSA-1) is administered and operated by its Board of Control. All members of the Teachers' Retirement System of Alabama, Employees' Retirement System of Alabama, Judicial Retirement Fund, employees of employers eligible to participate in the Employees' Retirement System pursuant to provisions of Code of Alabama 1975 Section 36-27-6, and public officials and employees of the State of Alabama or any political subdivision thereof (collectively, participating employers), are eligible to participate in this plan. At September 30, 2015, net position of the plan totaled $1,834,236,000.

State employees may also participate in the Alabama Deferred Compensation Plan sponsored by the Personnel Board and administered by Great-West Retirement Services. The plan contract requires the assets to be held in trust for the benefit of plan participants. At September 30, 2015, net position of the plan totaled $519,581,000.

NOTE 10 - POSTEMPLOYMENT HEALTH BENEFITS

In addition to the pension benefits described in the Retirement Plans note, the State provides postretirement health care benefits, in accordance with *Code of Alabama 1975*, Section 36-29-10, to all retired state employees through the State Employees' Health Insurance Plan (SEHIP) and, in accordance with *Code of Alabama 1975*, Section 16-25A-17, to all retired employees of state educational institutions through the Public Education Employees' Health Insurance Plan (PEEHIP). The retiree portion of the SEHIP is accounted for through the Alabama Retired State Employees' Health Care Trust and the retiree portion of the PEEHIP is accounted for through the Alabama Retired Education Employees' Health Care Trust (see plan description). Employees covered under these two plans who retire from active service and begin receiving monthly benefits from the Employees' Retirement System of Alabama or from the Teachers' Retirement System of Alabama may elect to continue coverage under the group insurance plan by consenting to have deducted from their monthly benefit payment the difference in the total cost of their insurance coverage and the portion authorized to be expended by the SEHIP or PEEHIP for coverage of such retired employees. The State Employees' Insurance Board administers SEHIP, and the Public Education Employees' Health Insurance Board administers PEEHIP. In order to fund the ongoing costs of these other postemployment benefits (OPEB), the State has established two trust funds as described below to comply with GASB Statements 43 and 45.

A. Plan Descriptions

The Alabama Retired Education Employees' Health Care Trust is a multiple employer cost-sharing defined benefit health care plan established as an irrevocable trust in 2007 by Constitutional Amendment 798. As of the latest actuarial evaluation, there were 197 participating employers.

The Alabama Retired State Employees' Health Care Trust is a single employer defined benefit health care plan established as an irrevocable trust in 2007 by Constitutional Amendment 798.

The Public Education Employees' Health Insurance Board issued a stand-alone plan financial report for the Alabama Retired Education Employees' Health Care Trust that includes financial statements and detailed disclosures for the year ended September 30, 2015. A copy may be obtained by writing to:

The Public Education Employees' Health Insurance Board
P.O. Box 302150
201 South Union Street
Montgomery, AL 36130-2150

The State Employees' Insurance Board issued a stand-alone financial report that includes the Alabama Retired State Employees' Health Care Trust financial statements and detailed disclosures for the year ended September 30, 2015. A copy may be obtained by writing to:

State Employees' Insurance Board
P. O. Box 304900
201 South Union Street, Suite 200
Montgomery, AL 36130-4900

B. Summary of Significant Accounting Policies

1. Basis of Accounting
Both Trusts are "other employee benefits trust funds" that operate under the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when earned, pursuant to plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

2. Investments
All plan assets are carried at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Short-term investments are reported at cost, which approximates fair value. Mortgage-backed securities are reported based on future principal and interest payments discounted at the prevailing interest rate for similar instruments. Investments not traded on exchanges are valued based on the selling price of similar investments sold in the open market. In those instances where there are no similar investments sold in the open market, an independent appraisal is performed to determine the fair value of the investments.

C. Funding Policy

The cost of the teachers' health care benefits is paid from the regular appropriations made to individual education entities. The Public Education Employees' Health Insurance Board is authorized to set the contribution requirements for plan members and employers. The contribution requirements are certified to the Governor and the Legislature. The Legislature then sets the premium rate in the annual appropriation bill. The retired employee allocation is funded through the active employee premium. Retirees who are eligible for Medicare benefits must pay $10 per month for the Hospital/Medical coverage while those who are not eligible for Medicare must pay $151 per month for the coverage. Additional premiums are paid for dependents. Optionally, the retirees may use this insurance allocation to purchase two plans of optional insurance offered by PEEHIP with no out-of-pocket cost. The Employer Group Waiver Plan subsidy was $55,848,000. Of this amount, $4,568,000 was an on-behalf payment for the primary government of the State of Alabama and $2,509,000 on-behalf payments of the major discretely presented component units of the State of Alabama. Most of the remaining amount was on-behalf payments for local school boards that are not part of the State's reporting entity.

The State provides health care benefits for retired state employees through SEHIP. The contribution requirements of the plan members and State agencies are established and may be amended by the Board of Directors of the State Employees' Insurance Board. For retirees who retired prior to October 1, 2005, the State pays 100 percent of the premium for a retiree who is over 65 and eligible

for Medicare. The State pays a portion of the premium for a retiree who is under 65. Under the SEHIP statute, the State contribution per month per retiree is funded on a pay-as-you-go basis through the active employee premiums each agency pays for its active employees. COBRA insurance is also available to state employees who terminate state service, but the employee is liable for the premiums. For retirees who retire other than for disability after October 1, 2005, the employer contribution is less for each year under twenty-five years of creditable coverage and more for each year over 25. For retirees on or after January 1, 2012, the employer contribution is also less for each year under the Medicare age. The retiree is responsible for the amount of contribution not covered by the State. The State may make additional contributions; however no additional funds were contributed during the fiscal year. The Employer Group Waiver Plan subsidy was $7,136,000 for fiscal year 2015. Of this amount, $6,995,000, $78,000, and $63,000, were on-behalf payments for the primary government, the component units, and the fiduciary funds, respectively.

1. Annual OPEB Cost and Net OPEB Obligation

Government Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, requires additional reporting and disclosures for OPEB plans.

The PEEHIP is a cost-sharing multiple-employer plan. Contribution requirements are determined by statute. In all instances, the state and its discretely presented component units paid 100 percent of the statutorily determined contribution requirements. Therefore, the State has no net OPEB obligation related to the PEEHIP.

The SEHIP is a single employer plan. The following OPEB amounts are for the SEHIP:

The net OPEB obligation is liquidated proportionately by all funds paying employee health care benefits through SEHIP.

(Amounts in thousands)	Primary Government	Component Units	Fiduciary
Annual required contribution	$ 226,439	$ 2,525	$ 2,028
Interest on net OPEB obligation	48,764	544	437
Adjustment to ARC	(42,376)	(473)	(380)
Annual OPEB cost	232,827	2,596	2,085
Contributions made	(88,423)	(986)	(792)
Increase in net OPEB obligation	144,404	1,610	1,293
Net OPEB obligation, beginning of year	976,796	10,429	7,646
Net OPEB obligation, end of year	**$ 1,121,200**	**$ 12,039**	**$ 8,939**

Percentage of annual OPEB cost contributed: 38%

2. Funded Status and Funding Progress

The funded status of the plan for the retired state employees as of the most recent actuarial valuation dated September 30, 2015, was as follows:

Retired State Employees' Health Care Trust (SEHIP)
(Amounts in thousands)

Actuarial Valuation Date	09/30/2015
Actuarial Accrued Liability (AAL)	$ 2,948,051
Actuarial Value of Assets	(149,258)
Unfunded Actuarial Accrued Liability (UAAL)	**$ 2,798,793**
Funded Ratio	5.1%
Covered Payroll	$ 1,525,693
UAAL as a Percentage of Covered Payroll	183.4%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

3. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

The actuarial methods and significant assumptions used to determine the ARC for fiscal year 2015 are as follows:

Actuarial Methods for Retired State Employees' Health Care Trust	
Valuation Date:	September 30, 2013
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value of Assets
Amortization Method:	Level Percent of Pay
Remaining Amortization Period:	30 Years
Period Closed/Open:	Open

Actuarial Assumptions for Retired State Employees' Health Care Trust	
Investment Rate of Return:	5%
Medical Cost Trend Rate:	
Medicare Eligible	6.0%
Pre-Medicare	7.75%
Ultimate Trend Rate:	
Medicare Eligible	5%
Pre-Medicare	5%
Year of Ultimate Trend Rate:	2019
Dental Trend Rate:	5%

*Includes Inflation at 3%

The assumed investment rate of return reflects the fact that as of September 30, 2013 the Plan had assets in a trust solely to provide benefits to retirees and their beneficiaries. A policy has been established to make regular contributions representing a partial payment toward the ARC each year. If the Plan starts fully pre-funding benefits, the discount rate may be increased to reflect equity investment the fund may have after full pre-funding begins. This investment rate of return assumption is independent of the inflation assumption.

4. Trend Information

The following table details employer contributions to the Alabama Retired Education Employees' Health Care Trust:

	Statutorily Required Contribution*		
(Amounts in Thousands)	2015	2014	2013
Primary Government	$ 16,073	$ 15,925	$ 14,872
Major Component Units			
Auburn University	10,088	8,614	8,634
University of South Alabama	8,461	7,963	7,130
University of Alabama	31,333	28,360	25,054

* 100% of the statutorily required contributions were contributed.

The employer contributions and annual OPEB cost of the SEHIP is presented in the table below.

(Amounts in Thousands)

	Employer Contributions	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	$ 114,618	$ 270,830	42%	$ 856,975
2014	88,201	226,097	39%	994,871
2015	90,201	237,508	38%	1,142,178

NOTE 11 - RELATED ORGANIZATIONS

The State's officials are responsible for appointing a majority of the members of the boards of other organizations, but the State's accountability for these organizations does not extend beyond making appointments. The State appoints the nine-member board of the Private Colleges and Universities Facilities Authority and a majority of the eleven member board of the Alabama Family Trust Corporation.

NOTE 12 - CONTINGENCIES

A. Grants

The State receives federal grants for specific purposes that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes.

Federal grantor agencies from time to time review state records to determine whether the State has complied with the terms and conditions of grant agreements and federal regulations. Any disallowance resulting from a federal audit may become a liability of the

State but cannot be reasonably estimated at this time. It is believed that any liability resulting from a determination of noncompliance will not materially affect the State's financial condition.

B. Litigation

The State is a party to numerous legal proceedings that occur in the normal course of governmental operations, some of which involve potentially significant amounts. The lawsuits involving potentially significant amounts are described below. Other proceedings involving amounts that, when aggregated, have no material effect on the accompanying government-wide financial statements, may have an impact on the related individual state agencies and funds. The monetary impact, if any, of litigation resulting in adverse rulings is usually addressed in subsequent state budgets and modifications of state laws. Due to the uncertainty involving the ultimate outcome and amounts of the unresolved litigation described below, no provision for potential liability has been recorded in the accompanying financial statements.

Blaylock, et al. v. American Tobacco Co., et al., filed in the Circuit Court of Montgomery County is an arbitration proceeding concerning the Master Settlement Agreement (MSA) that was negotiated with the tobacco industry in 1998. The MSA was entered into as a settlement of litigation brought against the participating tobacco products manufacturers by the Attorney Generals of the signatory states to reimburse the states for health care expenses in treating their citizens affected by the use of tobacco products sold by the manufacturers. The MSA contains a provision that allows an adjustment to reduce the payments by the tobacco industry if the MSA has been determined to be a significant factor in the loss of market share by the manufacturers. States will not be subject to a reduction in their payments if it is determined that they diligently enforced their escrow statutes. The 2003 payment has a potential adjustment of $1.2 billion nationwide that could be applied to the states that are determined not to have diligently enforced their escrow statutes during 2003. The question of whether the state was diligent was to be determined by an arbitration panel consisting of three retired Article III federal judges. Before Alabama's arbitration hearing began, a settlement was reached in principle between 22 states including Alabama and the participating manufacturers resolving diligent enforcement determinations through 2012. This settlement provided Alabama with a "one-time" distribution on April 15, 2013 of approximately 48 million dollars in addition to its normal distribution. The final settlement agreement is still being negotiated. Six states that did not diligently enforce their escrow statutes must pay the 2003 adjustment to the participating manufacturers for all states. There are several remitter actions nationally attacking the settlement as well as the arbitration awards. If the settlement is set aside, Alabama's potential share of the 2003 non-participating manufacturers' adjustment could be as much as $80 million if Alabama is subsequently determined to have not diligently enforced its escrow statues during 2003. Additional arbitration proceedings are likely to continue.

The State of Alabama has been involved in settling lawsuits challenging the constitutionality of the franchise tax in effect before 2000. The U. S. Supreme Court ruled that Alabama's franchise tax scheme unconstitutionally discriminated against interstate commerce. The State is continuing to negotiate the last group of settlements with corporations for potential refunds totaling $7 million and accumulated interest of $12 million. The State Legislature enacted laws to remedy the significant loss of revenue.

The State of Alabama Department of Revenue is also involved in significant tax-related lawsuits or actions that challenge the legality of certain taxes or challenge other provisions of tax laws and procedures. Other cases challenge tax assessments made by the Department. These cases have a significant combined potential refund liability or reductions of assessments. Adverse rulings in these cases could also reduce future revenues.

NOTE 13 - DONOR-RESTRICTED ENDOWMENTS

The Uniform Management of Institutional Funds Act, as adopted in Alabama, permits the boards of the educational institutions of the State to allocate an amount of realized and unrealized endowment appreciation as the boards determine to be prudent for donor-restricted endowments. The colleges' policies are to retain the endowments realized and unrealized appreciation with the endowments after the spending rate distributions. Endowments' earnings are classified in accordance with donor restrictions and are reported in the component units as net assets restricted for permanent trust – expendable or non-expendable as appropriate. The Boards of the University of Alabama and University of South Alabama approved a spending rate of 5 percent of a moving three-year average of the fair (unit) value. The other four-year colleges have approved similar spending rate policies with rates ranging between 3 and 6 percent. The net endowment appreciation of the four-year colleges at September 30, 2015 was $118,670,010.

NOTE 14 - SPECIAL ITEM

On January 1, the State Employees Insurance Board, a major component unit, disposed of the Local Government Health Insurance Program and Local Government Retired Health Insurance Program (LGHIP and LGHIP-Retired). Act 2014-401 created the Local Government Health Insurance Board (LGHIB) as a separate entity established to manage LGHIP and LGHIP-Retired plans. The LGHIB began operations January1, 2015 in accordance with the legislation. Operations of the LGHIB for the period October 1 through December 31, 2014 are reported in the State Employees' Insurance Board's (SEIB) financial statements for 2015. In accordance with GASB Statement No. 69, the net effect of the disposal is reported as a special item in the Statement of Activities.

NOTE 15 - SUBSEQUENT EVENTS

Primary Government

Subsequent to the fiscal year end, the State issued General Obligation Bonds, Series 2016-A in the amount of $98,500,000 and General Obligation Bonds, Series 2016-B in the amount of $26,695,000. Additionally, General Obligation Bonds, Series 2016-C bonds in the amount of $105,140,000 were issued to refund a portion of the 2007 and 2010-D General Obligation Bonds.

Subsequent to the fiscal year end, the Alabama Public School and College Authority issued Revenue Bonds, Series 2016-A in the amount of $29,245,000.

Component Units

Subsequent to the fiscal year end, the Housing Finance Authority (Authority) called approximately $10,850,000 of single-family bonds and owners redeemed $3,390,000 of conduit debt prior to their scheduled maturities. The Authority awarded Federal funds totaling $3,117,000 under the HOME Program. Also, the Authority converted approximately $24,165,000 of conduit debt from weekly to index-based interest mode. This resulted in no change of conduit debt outstanding related to this transaction.

ALABAMA
TENNESSEE
TENNESSEE RIVER
RIVER
RIVER
COOSA
TALLAPOOSA
BLACK WARRIOR
CAHABA R.
RIVER
MISSISSIPPI
RIVER
ALABAMA
TOMBIGBEE
CONECUH R.
PEA R.
GEORGIA
FLORIDA
Gulf of Mexico
GREAT SEAL

REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - All Budgeted Funds
For the Fiscal Year Ended September 30, 2015

(Amounts in Thousands)

	GENERAL FUND			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	$ 1,354,043	$ 1,362,362	$ 1,308,352	$ (54,010)
Licenses, Permits and Fees	159,820	160,802	154,427	(6,375)
Fines, Forfeits, and Court Settlements	16,132	16,231	15,588	(643)
Investment Income	10,396	10,460	10,045	(415)
Federal Grants and Reimbursements	1	1	1	-
Other Revenues	2,402	2,417	2,320	(97)
Total Revenues	**1,542,794**	**1,552,273**	**1,490,733**	**(61,540)**
EXPENDITURES				
Administrative Office of Courts	92,833	92,833	92,833	-
Agriculture and Industries	9,693	9,693	9,693	-
Alabama Community College System	-	-	-	-
Attorney General	-	3,084	3,084	-
Auditor	1,072	1,072	929	143
Commission on Higher Education	-	-	-	-
Corrections	403,801	402,501	400,552	1,949
Economic and Community Affairs	9,506	11,538	11,165	373
Education	-	-	-	-
Emergency Management	8,738	10,082	9,806	276
Examiners of Public Accounts	7,006	7,006	7,006	-
Finance	10,721	10,722	5,292	5,430
Governor	2,463	3,111	2,341	770
Human Resources	-	-	-	-
Labor	1,495	1,495	1,098	397
Law Enforcement	7	-	-	-
Legislature	24,357	24,688	18,185	6,503
Medicaid	723,484	723,484	699,629	23,855
Mental Health	-	-	-	-
Public Health	33,707	33,707	33,674	33
Public Safety	14,914	14,835	14,788	47
Public Service Commission	-	-	-	-
Rehabilitation Services	-	-	-	-
Revenue	187	187	52	135
Secretary of State	2,692	2,691	1,628	1,063
Transportation	-	-	-	-
Treasurer	-	-	-	-
Youth Services	7,290	7,290	7,260	30
Universities and Training Institutes	-	-	-	-
Other	243,296	242,110	205,390	36,720
Total Expenditures	**1,597,262**	**1,602,129**	**1,524,405**	**77,724**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(54,468)**	**(49,856)**	**(33,672)**	**16,184**
OTHER FINANCING SOURCES (USES)				
Transfers In	371,800	374,084	359,255	(14,829)
Transfers Out	(317,332)	(324,251)	(309,586)	14,665
Insurance Recovery Proceeds	-	23	23	-
Total Other Financing Sources (Uses)	**54,468**	**49,856**	**49,692**	**(164)**
Net Change in Fund Balances	**$ 0**	**$ 0**	**16,020**	**$ 16,020**

EDUCATION TRUST FUND				EARMARKED FUNDS			
Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget
Original	Final			Original	Final		
$ 5,907,126	$ 5,914,200	$ 6,047,221	$ 133,021	$ 1,532,817	$ 1,693,901	$ 1,441,687	$ (252,214)
179	179	183	4	476,642	526,732	448,304	(78,428)
-	-	-	-	25,643	28,338	24,119	(4,219)
-	-	-	-	3,107	3,434	2,923	(511)
-	-	-	-	9,100,997	10,057,421	8,559,920	(1,497,501)
920	921	942	21	1,150,416	1,271,312	1,082,021	(189,291)
5,908,225	**5,915,300**	**6,048,346**	**133,046**	**12,289,622**	**13,581,138**	**11,558,974**	**(2,022,164)**
-	-	-	-	83,616	88,573	81,590	6,983
-	-	-	-	28,780	29,122	21,806	7,316
333,646	333,646	333,642	4	25,310	25,580	16,287	9,293
-	-	-	-	23,700	20,616	18,528	2,088
-	-	-	-	-	-	-	-
19,590	19,790	19,683	107	1,982	1,982	1,024	958
-	-	-	-	78,850	78,850	60,690	18,160
-	-	-	-	254,098	254,413	193,213	61,200
3,999,679	3,996,373	3,994,582	1,791	1,571,168	1,574,245	1,131,250	442,995
-	-	-	-	141,359	142,895	58,037	84,858
6,266	6,266	6,266	-	9,603	9,977	9,277	700
-	-	-	-	150,083	156,748	117,004	39,744
-	-	-	-	-	3,409	123	3,286
-	-	-	-	2,011,104	2,072,893	1,987,607	85,286
-	-	-	-	105,502	105,503	76,934	28,569
-	-	-	-	162,508	177,787	114,373	63,414
2,449	3,859	3,742	117	-	-	-	-
-	-	-	-	5,421,771	5,506,434	5,392,748	113,686
-	-	-	-	925,844	948,080	892,519	55,561
15,852	15,852	15,596	256	738,983	684,284	570,799	113,485
-	-	-	-	34,937	34,473	27,353	7,120
-	-	-	-	21,068	21,068	15,235	5,833
39,936	39,936	39,936	-	122,063	122,063	103,999	18,064
-	-	-	-	146,768	153,131	138,028	15,103
-	-	-	-	12,312	12,312	5,314	6,998
-	-	-	-	1,452,607	2,658,920	1,655,244	1,003,676
-	-	-	-	5,564	6,139	3,676	2,463
54,345	54,345	53,892	453	40,443	38,943	33,558	5,385
1,088,135	1,088,136	1,088,136	-	-	54	54	-
232,149	234,613	233,635	978	1,180,482	1,377,073	1,126,326	250,747
5,792,047	**5,792,816**	**5,789,110**	**3,706**	**14,750,505**	**16,305,567**	**13,852,596**	**2,452,971**
116,178	**122,484**	**259,236**	**136,752**	**(2,460,883)**	**(2,724,429)**	**(2,293,622)**	**430,807**
-	-	-	-	2,460,883	2,719,498	2,314,577	(404,921)
(116,178)	(122,484)	(122,484)	-	-	-	-	-
-	-	-	-	-	4,931	4,931	-
(116,178)	**(122,484)**	**(122,484)**	**0**	**2,460,883**	**2,724,429**	**2,319,508**	**(404,921)**
$ 0	**$ 0**	**136,752**	**$ 136,752**	**$ 0**	**$ 0**	**25,886**	**$ 25,886**

REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule - Budget-to-GAAP Reconciliation
For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	BUDGETARY FUNDS			
	General Fund	Education Trust Fund	Earmarked Funds	Alabama Trust Fund
Net Change in Fund Balance	**$ 16,020**	**$ 136,752**	**$ 25,886**	
Reconciliation to GAAP Basis:				
Perspective Differences:				
Reclassification of budgetary funds to GAAP financial statement fund types	-	-	(25,886)	$ 557
Basis Differences:				
Accruals of revenues and other revenue adjustments	(33,705)	136,710		(93)
Accruals of expenditures, expenses and other non-budgeted items	(8,833)	12,254		-
To remove asset purchases treated as budgetary expenditures	15,903	-		-
To remove encumbrances recognized as expenditures	922	241		143
To recognize prior budget year expenditures/expenses	(2,768)	(1,709)		(211)
To remove budget expenditures/expenses not accrued as liabilities	924	237		(45)
Entity Differences:				
Add net operating results for funds not budgeted				(257,458)
Net Change in Fund Balances/Net Position - GAAP Basis	**(11,537)**	**284,485**	**0**	**(257,107)**
Fund Balances/Net Position, October 1, 2014, as Restated	**124,408**	**181,439**		**2,883,900**
Increase (Decrease) in Inventory	1,024	-		-
Fund Balances/Net Position, September 30, 2015	**$ 113,895**	**$ 465,924**		**$ 2,626,793**

FINANCIAL STATEMENT CLASSIFICATION

Medicaid Fund	Public Road and Bridge Fund	Public Welfare Trust Fund	Nonmajor Governmental Funds	Enterprise Funds	Internal Service Funds	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Component Units
$ 826	$ 109,533	$ (28,481)	$ 47,476	$ (55,549)	$ (17,414)	$ (24,299)	$ (592)	$ (6,171)
33,831	(40,254)	17,066	74,718	313	22,621	140,517	36	(498)
(46,892)	(22,188)	17,284	(79,323)	56,503	(23,136)	(129,638)	1,894	5,008
-	-	-	972	2,509	12,661	8,721	-	471
14,267	30,092	5,606	31,695	883	3,432	479	1	484
(278)	(9,932)	(245)	(27,902)	(223)	(3,451)	-	-	(2,274)
(8,377)	(18,654)	(3,730)	(23,315)	(484)	(2,453)	(480)	(1)	(248)
(74)	7,367	(73)	211,527	141,335	11,673	(1,028,127)	(26,196)	249,025
(6,697)	**55,964**	**7,427**	**235,848**	**145,287**	**3,933**	**(1,032,827)**	**(24,858)**	**245,797**
(78,141)	**443,326**	**65,763**	**2,321,242**	**1,277,866**	**106,630**	**37,395,299**	**1,362,189**	**7,718,054**
-	(2,014)	-	(402)	-	-	-	-	-
$ (84,838)	**$ 497,276**	**$ 73,190**	**$ 2,556,688**	**$1,423,153**	**$ 110,563**	**$ 36,362,472**	**$ 1,337,331**	**$ 7,963,851**

Budgetary Process

Formulation of the budget begins with the preparation of estimates of expenditure requirements for the next fiscal year by the administrative head of each budgeted agency and institution. These estimates are submitted annually to the Executive Budget Office of the Finance Department on or before the first day of the third month preceding each regular session of the Legislature. The budget is prepared by program elements for each agency. Requested changes in programmatic expenditures over the prior fiscal year must be explained, and proposed capital expenditures must be justified as required by the Executive Budget Office.

The budget document, as finally developed by the Governor, is published and transmitted to the Legislature on or before the second legislative day of each regular session. For each agency, comparative summaries of appropriations and revenues are presented for the prior year, current year, the agency's request for the next year, and the Governor's recommendation for the next year. The recommended appropriation bills indicate the programmatic appropriation to each agency and the source of funds from which each appropriation is to be paid. The Legislature then legally enacts the State budget into law through the passage of a number of bills as Appropriation Acts. Some conditional appropriations are included in the Appropriation Acts. The agencies do not include these conditional amounts in the original budget, unless the conditions have been met before the fiscal year begins.

Approximately $13 million of conditional and other appropriations were distributed to various agencies from the General Fund. The Emergency Management Agency, the Attorney General's Office and the Fair Trial Tax Fund received conditional appropriations in the amounts of $1 million, $3 million, and $6 million, respectively. Some expenditures are required by law to be fully funded and estimated amounts are approved in the General Fund appropriation bill. Increases to these estimated amounts do not require a new bill and are included as other appropriations. Original appropriations to the Departmental Emergency Fund are included in the original budget. Emergency appropriations cannot exceed two percent of the total General Fund appropriation bill.

During fiscal year 2015, approximately $7 million of supplemental appropriations were distributed from the Education Trust Fund (ETF). The Department of Human Resources, the Department of Veterans Affairs and the Legislature received supplemental appropriations of $3 million, $3 million, and $1 million, respectively.

The Appropriation Acts budget by agency and program rather than by GAAP basis funds. The State funds its budgetary activities under three budgetary fund groups. The first is the General Fund, which includes many of the general operations of the three branches of government. The second is the Education Trust Fund, which is restricted to funding all levels of educational activity in the State. The third budgetary group is referred to in the budget documents as Earmarked Funds. The Earmarked Funds group includes the operations of most governmental funds of both the primary government and the component units, as well as portions of some proprietary and fiduciary operations.

The Appropriation Acts do not include a revenue budget. At the time of their passage, estimates prepared by legislative and executive branch professional staff assure the legislature that adequate revenues will be available to meet the level of appropriations approved. The Appropriation Acts specify that in addition to the appropriations made, all gifts, grants, or contributions in excess of the amount appropriated are automatically appropriated to be used for the purposes specified in the gift, grant, or contribution. This includes federal funds which are included in the Earmarked Funds. Most of the $1.6 billion increase in the Earmarked Funds is increased federal funds.

Numerous statutes exist which restrict the use of most state revenue sources to specific uses. The General Fund is funded by a wide variety of taxes, licenses, and interest income. The ETF is funded primarily by income taxes and sales taxes. The Earmarked Funds are generally funded by a combination of federal funds, local funds, and specific taxes and licenses. State law also requires that if revenues actually received are inadequate to fund the appropriations, then the appropriations must be prorated to the level that the revenues will support. For the Budgetary Comparison Schedule, the budgeted revenues consist of the amount of budgeted expenditures allocated among the revenue categories in proportion to the actual amounts received.

Budgetary Control

The legal level of control is the agency and program specified in the Appropriation Acts. For example, "Lab Analysis and Disease Control" and "Agricultural Inspection Services" are two programs within the agency of Agriculture and Industries. Below this legal level of control, the professional management of the Finance Department, under the authority of the Governor's policy, exercises budgetary control at the fund and object level. Each agency must submit an operations plan detailing planned expenditures down to the object level, and then must follow that plan or explain why a change must be made. Allotments of appropriations are made quarterly based on the plans of operations submitted by the agencies.

The Department of Finance enforces both the legal level and the professional management level of budgetary control through automated edits which must be complied with before making expenditures against an appropriation. A change between objects within appropriations for programs (financial management level) must have the approval of the Budget Officer and the Finance Director.

The Budget Management Act legally authorizes the transfer of appropriations between programs within an agency with the approval of the Governor. Any transfers approved by the Governor must be reported to the Legislature. Transfers between agencies, but within the same program, may be made pursuant to interagency agreements executed for the purposes of accomplishing the objectives for which the Legislature made the appropriation. These interagency agreements must also be approved by the Governor. Under the Budget Management Act, the Governor cannot create new budget authority; he can only transfer existing authority.

Both the *Constitution of Alabama of 1901* and the statutes require a balanced budget for annual financial operations. The Finance Department monitors revenue projections during the year to ensure that adequate funds will be available to meet budgeted expenditures. If cash collections do not meet budget projections, the Governor is required to prorate appropriations and restrict allotments to prevent an overdraft or budget deficit in any fiscal year. Within the Alabama Trust Fund, a General Fund Rainy Day Account and an Education Trust Fund Rainy Day Account have been created by constitutional amendment. If proration is declared for the General Fund or the Education Trust Fund, then oil and gas capital payments in the Alabama Trust Fund will be used to fund withdrawals from the Rainy Day Accounts. If proration is declared for the General Fund, Rainy Day withdrawals may not exceed the lesser of (a) ten percent of the previous fiscal year's General Fund appropriations less the total amount of any prior years' withdrawals from the account which have not been repaid to the account, or (b) the average of the estimated available revenue for the General Fund certified by the Finance Director and the Legislative Fiscal Officer prior to the third legislative day of the Regular Session. If proration is declared for the Education Trust Fund, Rainy Day withdrawals may not exceed the lesser of (a) six and one-half percent of the previous fiscal year's Education Trust Fund appropriations less the total amount of any prior years' withdrawals from the account which have not been repaid to the account, or (b) the average of the estimated available revenue for the Education Trust Fund certified by the Finance Director and the Legislative Fiscal Officer prior to the third legislative day of the Regular Session. The Rainy Day Accounts must be replenished within 10 years for the General Fund withdrawals and 6 years for the Education Trust Fund withdrawals. Neither the General Fund nor the Education Trust Fund was prorated in 2015. The Education Trust Fund has paid back all of its withdrawals. The available balance during FY15 after the Education Trust Fund paid back the withdrawals was $394 million. The General Fund has 5 years to pay back $162 million which was withdrawn in 2010. The General Fund Rainy Day Account available balance during FY15 was $17 million.

The Rolling Reserve Act (Act 2011-3, as amended by Act 2015-538) caps appropriations from the Education Trust Fund (ETF). The cap is the sum of recurring revenues deposited into the ETF in the last completed fiscal year preceding the calculation year adjusted up or down by: (1) the average annual percentage change in recurring revenues for the 14 highest of the 15 completed fiscal years preceding the date on which the calculation is made; (2) if legislation is enacted that will increase recurring revenues deposited into the ETF, an amount equal to 95 percent of the fiscal note attached to the legislative act is added to the cap; (3) if legislation is enacted that will decrease recurring revenues deposited into the ETF, the negative impact, based on the enacted fiscal note is subtracted from the cap; (4) any nonrecurring revenue; and (5) the amount required to be appropriated from the ETF to the Prepaid Affordable College Tuition Trust Fund. The Finance Director and the Legislative Fiscal Officer must certify their computation of the cap at the same time as the certification required by Amendment 803 to the *Constitution of Alabama of 1901* (prior to the third day of each Regular Session). Revenues in excess of the appropriation cap are required to be used to pay back transfers from the constitutional ETF Rainy Day Account until the account has been repaid in full. Any remaining funds shall be transferred to the ETF Budget Stabilization Fund and the ETF Advancement and Technology Fund. The ETF Budget Stabilization Fund will generally be used to reduce any future proration. At the end of fiscal year 2015 there were no funds in the ETF Budget Stabilization Fund.

Encumbrance Accounting

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting is used as purchase orders are issued to ensure that purchase orders plus expenditures do not exceed allotment balances. At fiscal year end this control becomes stricter, as purchase orders plus any other obligations or accounts payable incurred against fiscal year appropriations may not exceed allotment balances.

Encumbrances are reported in the year the orders are placed for budgetary purposes in the Budgetary Comparison Schedule. Encumbrances are reported in the year the goods and services are received for GAAP basis financial statements.

Lapsing of Appropriations

All non-capital outlay appropriation balances not reserved by encumbrances or accounts payable lapse at September 30 of each fiscal year. Furthermore, any non-capital outlay appropriation balance not reserved by encumbrances lapses at November 30 following each

fiscal year. Encumbrances remain valid for a period of one year following the end of the fiscal year. Balances of encumbrances are reported on the Budgetary Comparison Schedule as expenditures. Capital outlay appropriations for the purchase of land, the construction of buildings, or for the maintenance of roads and bridges of the state highway system continue until the completion of the project.

Budgetary Basis of Accounting and Fund Structure

The State budgets and operates primarily on the budgetary basis which approximates the cash basis with certain material exceptions. During the fiscal year, encumbrances, which represent obligations against current fiscal year appropriations, are accrued. At year end, fund balances are reserved to accrue expenditures for those outstanding encumbrances and estimated accounts payable. In compliance with Amendment 26 to the *Constitution of Alabama of 1901*, the total reservation may not exceed the cash on hand in the State Treasury. Therefore, at year end, cash always equals or exceeds obligations (encumbrances and estimated accounts payable). The Budgetary Comparison Schedule (Non-GAAP Basis) presents comparisons of the adopted budget with actual data on a budgetary basis. The budget excludes funds for all entities operating outside the State Treasury, certain distributive accounts such as those for making distributions to local governments, and most debt service accounts. Since the accounting principles used in the State's budgetary basis of accounting differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of the differences is presented on the schedule. Governmental Accounting Standards Board (GASB) Statement No. 41 requires that budgetary comparison schedules be presented as RSI based on the fund, organization, or program structure that the government uses for its legally adopted budget for a government with significant budgetary perspective differences that result in the government's not being able to present budgetary comparisons for the general fund and each major special revenue fund. The budgetary fund structure for the General Fund group and the Education Trust Fund group is essentially the same as the GAAP fund structure. The Earmarked Fund group does not correspond to a major GAAP fund and these perspective differences are included in the Budget-to-GAAP Reconciliation. The budgets of some major funds are spread throughout various agencies and programs in the Earmarked Fund group. A Detail Schedule of Budget and Actual Expenditures appears in the Governmental Funds subsection of the Combining and Individual Fund Statements and Schedules Section of the CAFR. This schedule provides detailed information at the legal level of control for each individual appropriation item contained in the budget for all budgetary fund groups.

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Loss Development Information for State Insurance Fund

For the Fiscal Year Ended September 30, 2015

The following table illustrates how the State Insurance Fund's (Fund) earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by the Fund as of the end of each of the previous ten years. The rows of the table are defined as follows: (1) This line shows the total of each fiscal year's gross earned premiums and reported investment revenue, amounts of premiums ceded, and reported premiums (net of reinsurance) and reported investment revenue. (2) This line shows each fiscal year's other operating costs of the Fund including overhead and loss adjustment expenses not allocable to individual claims. (3) This line shows the Fund's gross incurred losses and allocated loss adjustment expense, losses assumed by reinsurers, and net incurred losses and loss adjustment expense (both paid and accrued) as originally reported at the end of the year in which the event that triggered coverage occurred (called accident year). (4) This section of ten rows shows the cumulative net amounts paid as of the end of successive years for each accident year. (5) This line shows the latest reestimated amount of losses assumed by reinsurers for each accident year. (6) This section of ten rows shows how each accident year's net incurred losses increased or decreased as of the end of successive years. (This annual reestimation results from new information received on known losses, reevaluation of existing information on known losses, and emergence of new losses not previously known.) (7) This line compares the latest reestimated net incurred losses amount to the amount originally established (line 3) and shows whether this latest estimate of losses is greater or less than originally estimated. As data for individual accident years mature, the correlation between original estimates and reestimated amounts is commonly used to evaluate the accuracy of net incurred losses currently recognized in less mature accident years. The columns of the table show data for successive accident years.

(Amounts in Thousands)	Fiscal and Accident Year Ended									
	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
1. Premiums and investment revenue:										
Earned	28,682	31,625	31,505	32,760	32,489	30,401	36,732	40,758	44,343	46,049
Ceded	11,098	15,067	16,582	17,022	16,803	16,625	20,834	26,115	24,153	22,469
Net Earned	17,584	16,558	14,923	15,738	15,686	13,776	15,898	14,643	20,190	23,580
2. Unallocated Expenses	2,012	2,012	3,030	3,273	3,010	2,863	2,774	3,090	3,375	3,710
3. Estimated losses and expenses, end of accident year:										
Incurred	17,978	34,751	9,843	15,975	17,531	113,642	38,861	33,467	11,500	8,300
Ceded	89	23,973	-	-	5,781	91,228	28,359	2,757	-	-
Net incurred	17,889	10,778	9,843	15,975	11,750	22,414	10,502	30,710	11,500	8,300
4. Net paid (cumulative) as of:										
End of Accident Year	6,245	4,617	2,840	5,135	6,493	9,192	3,842	16,000	3,823	2,857
One Year Later	12,391	14,468	6,257	11,681	10,178	16,880	22,703	26,555	8,188	
Two Years Later	14,930	15,893	6,613	14,307	10,241	22,070	4,351	29,088		
Three Years Later	14,977	16,160	6,710	14,310	10,859	21,604	11,370			
Four Years Later	15,160	16,159	6,750	14,312	10,858	21,833				
Five Years Later	15,159	16,158	6,750	14,312	10,856					
Six Years Later	15,159	16,158	6,750	14,312						
Seven Years Later	15,159	16,157	6,750							
Eight Years Later	15,159	16,155								
Nine Years Later	15,159									
5. Reestimated ceded losses and expenses	87	16,293	-	-	2,929	72,691	18,662	-	-	-
6. Reestimated net incurred losses and expenses as of:										
End of Accident Year	17,889	10,778	9,843	15,975	11,750	22,414	10,502	30,710	11,500	8,300
One Year Later	16,170	16,661	7,535	14,850	10,750	21,000	32,435	29,711	9,000	
Two Years Later	15,133	16,120	7,240	14,606	10,883	22,900	11,045	29,688		
Three Years Later	15,160	16,160	7,072	14,528	10,859	22,062	11,370			
Four Years Later	15,160	16,159	6,750	14,312	10,858	21,833				
Five Years Later	15,159	16,158	6,750	14,312	10,856					
Six Years Later	15,159	16,158	6,750	14,312						
Seven Years Later	15,159	16,157	6,750							
Eight Years Later	15,159	16,155								
Nine Years Later	15,159									
7. Increase (decrease) in estimated net incurred losses and expenses from end of accident year	(2,730)	5,377	(3,093)	(1,663)	(894)	(581)	868	(1,022)	(2,500)	-

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Teachers' Retirement System

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	2015
% of collective net pension liability (NPL)	40.86%
Amount of collective NPL	$ 3,710,637
Covered payroll	$ 2,612,755
Proportionate share of NPL as a % of covered payroll	142.02%
Pension plan fiduciary net position as a % of total pension liabiltiy	71.01%

Information is presented prospectively beginning in 2015.
Information presented was determined based on information as of the measurement date.

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Judicial Retirement System

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	2015
% of collective net pension liability (NPL)	100%
Amount of collective NPL	$ 145,093
% Share of NPL due to State operations	85.05%
Covered payroll	$ 42,699
Proportionate share of NPL as a % of covered payroll	339.80%
Pension plan fiduciary net position as a % of total pension liabiltiy	65.46%

Note: The State is responsible for 100% of employer contributions.
Information is presented prospectively beginning in 2015.
Information presented was determined based on data as of the measurement date, one year prior to the fiscal year-end.

REQUIRED SUPPLEMENTARY INFORMATION
Ten Year Trend Information
Employees' Retirement System

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

Schedule of Changes in Net Pension Liability

Total Pension Liability	2015
Service Costs	$ 115,716
Interest	579,810
Benefit payments, including refunds of employee contributions	(567,669)
Net change in total pension liability	127,857
Total pension liability - beginning	7,542,145
Total pension liability - ending (a)	**$ 7,670,002**
Plan Fiduciary Net Position	
Contributions - employer	$ 161,114
Contributions - employee	100,391
Net investment income	556,028
Benefit payments, including refunds of employer contributions	(567,669)
Transfers amoung employers	24
Net change in fiduciary plan net position	249,888
Plan fiduciary net position - beginning	4,745,196
Plan fiduciary net position - ending (b)	**$ 4,995,084**
Net pension liability - ending (a) - (b)	**$ 2,674,918**
Plan fiduciary net position as a percentage of the total total pension liability	65.12%
Covered payroll - measurement period	$ 1,280,583
Net pension liability as a % of covered payroll	208.88%

Note that information was determined as of the measurement date and is presented prospectively beginning in 2015.

Actuarially Determined Employer Contributions

	2015
Amount	$ 185,110
% Contributed	100%
Covered Payroll	$ 1,331,883
% of covered payroll	13.90%

Information presented prospectively beginning in 2015

Valuation Date:

Actuarially determined contribution rates are calculated as of September 30, two years prior to the beginning of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	30 years
Asset valuation method	Market value
Inflation	3.00%
Salary increases	3.75-7.25%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress for Retired State Employees' Health Care Trust

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

Actuarial Valuation Date	(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability (AAL)	(B-A) Unfunded AAL	(A/B) Funded Ratio	(C) Covered Payroll	((B-A)/C) UAAL as a % of Covered Payroll
9/30/2013	142,685	3,465,784	3,323,099	4.12%	1,344,092	247.2%
9/30/2014	156,837	3,072,700	2,915,863	5.10%	1,331,647	219.0%
9/30/2015	149,258	2,948,052	2,798,794	5.06%	1,525,693	183.4%

Changes in the actuarial assumptions significantly affect the identification of trends in the amounts reported in the Schedule of Funding Progress. The table below summarizes these changes.

Actuarial Valuation Date	Investment Rate of Return	Medical Cost Trend Rate *		Ultimate Trend Rate	Year of Ultimate Trend Rate	Inflation Rate*
		Medicare Eligible	Pre-Medicare			
9/30/2013	5%	6.0%	7.75%	5%	2019	3.0%
9/30/2014	5%	5.75%	7.5%	5%	2019	3.0%
9/30/2015	5%	5.75%	7.75%	5%	2020	3.0%

*The medical cost trend rate was reduced for Medicare-eligible retirees from 6.0 percent to 5.75 percent for the September, 30 2014 valuation. The medical cost trend rate for pre-Medicare retirees was reduced from 7.75 percent to 7.5 percent for the September, 30 2014 valuation, and increased from 7.5 percent to 7.75 percent for the September 30, 2015 valuation. The year of ultimate trend rate was changed for the September 30, 2015 valuation from 2019 to 2020. The effects of these changes are reflected in the actuarial valuations.

The State Employees' Insurance Board issues a stand-alone financial report that includes the Retired State Employees' Health Care Trust financial statements and required supplementary information for the year ended September 30, 2015. A copy may be obtained by writing to:

State Employees' Insurance Board
P. O. Box 304900
201 South Union Street, Suite 200
Montgomery, AL 36130-4900

Modified Approach

As allowed by GASB Statement Number 34, the State has adopted the modified approach for reporting roadway and bridge infrastructure assets. Under the modified approach, depreciation is not recorded. Infrastructure costs that result in an increase in the capacity or an improvement in the efficiency of the infrastructure network are capitalized and added to the historical cost of the assets. Costs that allow the infrastructure network to be used efficiently over the expected useful life of the assets are expensed as general maintenance costs. Certain maintenance costs that extend the useful life of the assets but do not increase capacity or efficiency are classified as preservation costs. Preservation costs are expensed and reported in lieu of a charge for depreciation expense. Assets accounted for under the modified approach in fiscal year 2015 include approximately 10,874 miles of state maintained highways and 5,390 of state maintained bridges and culverts.

In order to utilize the modified approach, Alabama is required to:

- Maintain an asset management system that includes an inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate annually the amount to maintain and preserve the assets at the condition level established and disclosed by the State.
- Document that the assets are being preserved approximately at or above the established condition level.

Roads

Measurement Scale

The Alabama Department of Transportation uses the International Roughness Index (IRI) to measure and monitor pavement conditions. The IRI is a standard representing the perceived smoothness of pavements while traveling in passenger cars. The smoothness is measured by the cumulative height the wheel of a vehicle travels vertically over a mile long section of roadway. For example, if the wheel of a vehicle travels vertically 1.0 inches every 0.01 miles, the IRI for that 1 mile section of roadway would be the sum of 100 measurements (0.01 X 100 = 1 mile) of 1.0 inches each or 100 inches/mile. A lower IRI measurement represents a smoother condition of pavement.

Data is collected by route samples and complete route assessments when available. If data is collected in route samples, the samples are weighted by route length to give system averages. If data is collected for the complete route, the frequency of collection is every 0.01 mile and no weighting is used in the computation of system averages.

The United States Department of Transportation developed suggested values for IRI of <60 inches/mile to >220 inches/mile to grade the smoothness condition of the roadway. The Alabama Department of Transportation utilizes this scale of suggested values in its roadway condition assessments. The IRI scale is as follows:

IRI Rating	Condition	Description
> 170 Interstates > 220 Other Routes	Poor	Significant Maintenance Required (Resurfacing or Reconstruction)
120-170 Interstates 171-220 Other Routes	Mediocre	Moderate Maintenance Required (Resurfacing or Reconstruction)
95-119 Interstates 95-170 Other Routes	Fair	Routine Maintenance Required (Pavement Patching)
60-94 All Routes	Good	Negligible Maintenance Required
< 60 All Routes	Very Good	No Maintenance Required

Established Condition Level
The weighted average rating of all State maintained roadways shall be "Fair" or better.

Assessed Conditions
The following table represents the most recent condition assessment for roadways classified by Non-Interstate Non-National Highway System Routes, Non-Interstate National Highway System Routes, and Interstate Routes:

	As of September 30,					
	2015		2014		2013	
Category	Miles	Rating	Miles	Rating	Miles	Rating
Non-Interstate Non-National Highway System	6,706	82.15	6,717	85.99	6,717	84.74
Non-Interstate National Highway System	3,169	72.47	3,155	72.29	3,155	71.24
Interstate System	999	70.61	999	70.61	999	69.17
Total and Weighted Average Rating	**10,874**	**78.27**	**10,871**	**80.61**	**10,871**	**79.40**

Bridges

Measurement Scale
ALDOT uses a weighted rating of the major structure components and the deck area of a bridge or culvert. The GASB 34 Bridge Rating is a zero to ten score assigned to each component-rating category and then averaged for each bridge asset classification using an algorithm developed by the ALDOT Maintenance Bureau. The algorithm uses the assessed weighted ratings, each bridge deck area, and the sum of all deck areas. The ten point scale is as follows:

Rating	Condition	Description
1 - 4.99	Marginal	Structural elements have been seriously affected by deterioration.
5 - 6.99	Satisfactory	Structural elements are sound but have minor deterioration.
7 or Greater	Good	Structural elements show negligible signs of deterioration.

Established Condition Level
The weighted average rating of all State maintained bridges and culverts shall be "Satisfactory" or better.

Assessed Conditions
The following table represents the most recent condition assessment for bridges and culverts classified by Non-Interstate Non-National Highway System Routes, Non-Interstate National Highway System Routes, and Interstate Routes:

	As of September 30,					
	2015		2014		2013	
Category	Structures	Rating	Structures	Rating	Structures	Rating
Non-Interstate Non-National Highway System	2,303	6.73	2,297	6.74	2,290	6.75
Non-Interstate National Highway System	1,840	6.69	1,839	6.69	1,834	6.70
Interstate System	1,247	6.07	1,265	6.10	1,269	6.12
Total and Weighted Average Rating	**5,390**	**6.56**	**5,401**	**6.57**	**5,393**	**6.58**

Estimated and Actual Costs

For fiscal years 2015, 2014, 2013, 2012, and 2011, the State estimated it would need to spend $309.2, $333.1, $334.9, $319.6, and $306.0, respectively, to preserve and maintain all roadway assets and $10 million in each year to preserve all bridge assets at or above the "Established Condition Levels" presented above. The State spent $424,506,000 for roadway preservation and $116,600,000 for bridge preservation in fiscal year 2015. The State spent $468,464,000 for roadway preservation and $80,579,000 for bridge preservation in fiscal year 2014. The State spent $496,695,000 for roadway preservation and $69,060,000 for bridge preservation in fiscal year 2013. The State spent $439,145,000 for road preservation and $52,639,000 for bridge preservation in fiscal year 2012. In fiscal year 2011, the State spent $375,653,000 for road preservation and $60,306,000 for bridge preservation. In the next fiscal year, the Alabama Department of Transportation estimates that it will need to spend approximately $323,629,000 to preserve all roadway assets and approximately $10,000,000 to preserve all bridge assets at or above the "Established Condition Levels" presented above. Condition levels are expected to continue to meet or exceed the "Established Condition Levels".

STATE OF ALABAMA

COMBINING BALANCE SHEET
Nonmajor Governmental Funds by Fund Type

September 30, 2015
(Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Totals
ASSETS					
Cash and Cash Equivalents	$ 1,307,246	$ 46,364	$ 630,657	$ 390	$ 1,984,657
Investments	671,946	80,857	32,933	88,679	874,415
Due From Other Funds	104,351	-	3,472	-	107,823
Due From Component Units	2,760	-	48,584	-	51,344
Investment Sales Receivable	1,763	-	-	-	1,763
Accounts Receivable	108,391	-	-	233	108,624
Taxes Receivable	319,707	11,527	-	-	331,234
Due From Other Governments	124,229	-	-	-	124,229
Mortgages, Notes, and Loans Receivable	-	-	-	58	58
Securities Lending Collateral	3,820	14	1	2,519	6,354
Inventory	2,188	-	-	-	2,188
Restricted Assets	3,892	-	-	-	3,892
Other Assets	176	-	-	-	176
TOTAL ASSETS	**$ 2,650,469**	**$ 138,762**	**$ 715,647**	**$ 91,879**	**$ 3,596,757**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 33,378	$ 0	$ 167	$ 0	$ 33,545
Investment Purchases Payable	3,275	-	-	301	3,576
Due To Other Funds	57,454	-	-	77	57,531
Due To Component Units	889	-	-	-	889
Accounts Payable	300,139	-	233	82	300,454
Due To Other Governments	161,627	-	-	-	161,627
Securities Lending Obligation	3,820	14	1	2,519	6,354
Unearned Revenue	5,159	-	-	-	5,159
Amounts Held in Custody for Others	105,599	-	-	-	105,599
Compensated Absences	1,404	-	-	-	1,404
Notes and Mortgages Payable	1,154	-	-	-	1,154
Capital Lease Obligations	54	-	-	-	54
Total Liabilities	**673,952**	**14**	**401**	**2,979**	**677,346**
Deferred Inflows Of Resources	**323,294**	**0**	**39,429**	**0**	**362,723**
Fund Balances					
Nonspendable:					
Inventory	2,188	-	-	-	2,188
Permanent Fund Principal	-	-	-	85,543	85,543
Restricted for:					
Economic Development and Regulation	85,270	-	-	-	85,270
Education and Cultural Resources	257,258	-	-	2,920	260,178
Natural Resources and Recreation	73,759	-	-	-	73,759
Health	178,552	-	-	55	178,607
Social Services	166,005	-	-	-	166,005
Protection of Persons and Property	219,269	-	-	-	219,269
Transportation	28,115	-	-	-	28,115
General Government	626,358	-	-	382	626,740
Capital Projects	-	-	675,817	-	675,817
Debt Service	-	138,748	-	-	138,748
Assigned for:					
Economic Development and Regulation	1,806	-	-	-	1,806
Education and Cultural Resources	782	-	-	-	782
Natural Resources and Recreation	130	-	-	-	130
Social Services	518	-	-	-	518
Protection of Persons and Property	36,458	-	-	-	36,458
General Government	9,341	-	-	-	9,341
Unassigned	(32,586)	-	-	-	(32,586)
Total Fund Balances	**1,653,223**	**138,748**	**675,817**	**88,900**	**2,556,688**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 2,650,469**	**$ 138,762**	**$ 715,647**	**$ 91,879**	**$ 3,596,757**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds by Fund Type

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Totals
REVENUES					
Taxes	$ 1,288,060	$ 200,961	$ 0	$ 0	$ 1,489,021
Licenses, Permits, and Fees	514,876	-	113	1,205	516,194
Fines, Forfeits, and Court Settlements	124,464	-	-	-	124,464
Investment Income	2,525	2,346	257	1,722	6,850
Federal Grants and Reimbursements	1,959,799	5,570	-	-	1,965,369
Other Revenues	469,695	15,209	13,245	8	498,157
Total Revenues	**4,359,419**	**224,086**	**13,615**	**2,935**	**4,600,055**
EXPENDITURES					
Current:					
Economic Development and Regulation	132,374	-	-	-	132,374
Education and Cultural Resources	1,306,290	-	36	654	1,306,980
Natural Resources and Recreation	234,987	-	-	-	234,987
Health	1,782,012	-	3,200	-	1,785,212
Social Services	407,856	-	-	12	407,868
Protection of Persons and Property	604,631	-	-	-	604,631
Transportation	229,537	-	-	-	229,537
General Government	655,055	-	525	10	655,590
Capital Outlay	7,023	-	29,314	-	36,337
Debt Service - Principal Retirement	8,016	258,115	-	-	266,131
Debt Service - Interest and Other Charges	7,851	181,582	-	-	189,433
Total Expenditures	**5,375,632**	**439,697**	**33,075**	**676**	**5,849,080**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(1,016,213)**	**(215,611)**	**(19,460)**	**2,259**	**(1,249,025)**
OTHER FINANCING SOURCES (USES)					
Transfers In	1,726,081	237,211	60,840	2,814	2,026,946
Bonds Issued	48,515	31,010	531,435	-	610,960
Refunding Bonds Issued	459	105,631	-	-	106,090
Capital Leases	7,709	-	-	-	7,709
Debt Issuance Premiums	6,297	20,313	68,565	-	95,175
Insurance Recovery Proceeds	3,224	-	-	-	3,224
Transfers Out	(958,391)	(50,511)	(230,700)	(1,192)	(1,240,794)
Payments to Refunded Bond Escrow Agent	-	(124,437)	-	-	(124,437)
Total Other Financing Sources (Uses)	**833,894**	**219,217**	**430,140**	**1,622**	**1,484,873**
Net Change in Fund Balances	**(182,319)**	**3,606**	**410,680**	**3,881**	**235,848**
Fund Balances, October 1, 2014, as Restated	1,835,944	135,142	265,137	85,019	2,321,242
Increase (Decrease) in Inventory	(402)	-	-	-	(402)
Fund Balances, September 30, 2015	**$ 1,653,223**	**$ 138,748**	**$ 675,817**	**$ 88,900**	**$ 2,556,688**

ALABAMA
TENNESSEE
TENNESSEE RIVER
RIVER
RIVER
BLACK WARRIOR
COOSA
RIVER
ALLAPOOSA
CHATTAHOOCHEE
RIVER
MISSISSIPPI
GEORGIA
TOMBIGBEE
RIVER
ALABAMA
CONECUH R.
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

Nonmajor Special Revenue Funds

Nonmajor Special Revenue Funds account for specific revenue sources that are legally restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Public Health Department

Accounts for resources used for the primary operations of the Department of Public Health, which promotes the general physical health, enforces laws relating to public health and operates programs providing preventive and treatment services to the public.

Education Department

Accounts primarily for Federal programs administered by the State Department of Education.

Economic and Community Affairs

The Department of Economic and Community Affairs oversees federal and State programs related to energy management, skills enhancement and employment opportunities, traffic control and accident prevention, and state and regional planning.

Revenues Allocated to Other Governments

Accounts for revenues from taxes and other revenue sources which are shared with local governments and component units.

Other Medicaid Funds

Accounts for activity associated with the Medicaid program that is not reported in the Major Governmental Funds under either the General Fund or the Medicaid Fund.

Mental Health

Accounts for resources used by the Department of Mental Health to care for citizens who suffer from mental illness.

Public School Fund

Accounts for revenues and expenditures which are allocated to local boards of education for support of educational programs.

Alabama Public School College Authority

Accounts for resources used by the Authority, primarily to make grants to local public school systems for capital expenditures.

Labor Department

Administers the employment security, workers compensation, and industrial safety and accident prevention programs.

Conservation and Natural Resources

Is responsible for the management of the State's game and wildlife resources as well as operation of the State parks system.

Twenty-first Century Authority

Accounts for resources used by the Authority for the purpose of making incentive grants to major industries locating or expanding within the State.

Other Nonmajor Special Revenue Funds

Are aggregated for reporting purposes and account for various other resources which must be used for specific purposes.

COMBINING BALANCE SHEET
Nonmajor Special Revenue Funds

September 30, 2015
(Amounts in Thousands)

	Public Health Department	Education Department	Economic and Community Affairs	Revenues Allocated to Other Governments	Other Medicaid Funds
ASSETS					
Cash and Cash Equivalents	$ 59,118	$ 29,824	$ 6,802	$ 38,646	$ 7,870
Investments	-	-	34,102	-	-
Due From Other Funds	18,982	1,996	958	1,003	-
Due From Component Units	471	-	-	-	-
Investment Sales Receivable	-	-	-	-	-
Accounts Receivable	104	-	1,444	-	-
Taxes Receivable	341	14	-	19,416	10,643
Due From Other Governments	9,660	80,131	10,375	-	-
Securities Lending Collateral	194	115	25	149	30
Inventory	-	-	105	-	-
Restricted Assets	-	-	3,107	-	-
Other Assets	-	-	-	-	-
TOTAL ASSETS	**$ 88,870**	**$ 112,080**	**$ 56,918**	**$ 59,214**	**$ 18,543**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 104	$ 1,924	$ 151	$ 289	$ 0
Investment Purchases Payable	-	-	-	-	-
Due To Other Funds	9,201	717	7,734	1,893	-
Due To Component Units	-	-	2	-	-
Accounts Payable	37,478	8,359	8,318	105	-
Due To Other Governments	36	88,037	3,196	31,889	-
Securities Lending Obligation	194	115	25	149	30
Unearned Revenue	-	-	-	-	-
Amounts Held in Custody for Others	-	4	-	-	-
Compensated Absences	181	23	32	-	-
Notes and Mortgages Payable	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	-
Total Liabilities	**47,194**	**99,179**	**19,458**	**34,325**	**30**
Deferred Inflows Of Resources	**0**	**0**	**4,337**	**0**	**0**
Fund Balances					
Nonspendable:					
Inventory	-	-	105	-	-
Restricted for:					
Economic Development and Regulation	-	-	-	-	-
Education and Cultural Resources	-	12,264	-	354	-
Natural Resources and Recreation	-	-	-	1,100	-
Health	41,418	-	-	-	18,513
Social Services	-	637	200	-	-
Protection of Persons and Property	258	-	-	31	-
Transportation	-	-	-	13,847	-
General Government	-	-	32,818	9,557	-
Assigned for:					
Economic Development and Regulation	-	-	-	-	-
Education and Cultural Resources	-	-	-	-	-
Natural Resources and Recreation	-	-	-	-	-
Social Services	-	-	-	-	-
Protection of Persons and Property	-	-	-	-	-
General Government	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	**41,676**	**12,901**	**33,123**	**24,889**	**18,513**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 88,870**	**$ 112,080**	**$ 56,918**	**$ 59,214**	**$ 18,543**

Mental Health	Public School Fund	Public School and College Authority	Labor Department	Conservation and Natural Resources	Twenty-first Century Authority	Other Special Revenue Funds	Totals
$ 88,966	$ 6,447	$ 164,617	$ 21,221	$ 45,255	$ 1,955	$ 836,525	$ 1,307,246
-	-	-	5,076	589	-	632,179	671,946
45,014	-	-	10,094	220	-	26,084	104,351
-	-	-	-	-	-	2,289	2,760
-	-	-	-	-	-	1,763	1,763
1	-	-	130	522	91,153	15,037	108,391
138,993	145,410	-	-	206	-	4,684	319,707
-	-	-	-	4,903	-	19,160	124,229
336	25	10	82	175	-	2,679	3,820
767	-	-	-	678	-	638	2,188
-	-	-	-	-	-	785	3,892
-	-	-	-	-	-	176	176
$ 274,077	**$ 151,882**	**$ 164,627**	**$ 36,603**	**$ 52,548**	**$ 93,108**	**$ 1,541,999**	**$ 2,650,469**
$ 21,498	$ 32	$ 1,338	$ 54	$ 135	$ 0	$ 7,853	$ 33,378
-	-	-	-	-	-	3,275	3,275
12,808	-	41	1,036	716	-	23,308	57,454
-	-	-	-	-	-	887	889
71,721	-	3,609	4,781	10,937	-	154,831	300,139
5,620	-	11,644	28	1,044	-	20,133	161,627
336	25	10	82	175	-	2,679	3,820
-	-	-	-	-	-	5,159	5,159
-	-	-	-	334	-	105,261	105,599
110	-	-	82	131	-	845	1,404
-	-	-	-	-	-	1,154	1,154
-	-	-	-	-	-	54	54
112,093	**57**	**16,642**	**6,063**	**13,472**	**0**	**325,439**	**673,952**
100,121	**121,480**	**0**	**0**	**0**	**91,153**	**6,203**	**323,294**
767	-	-	-	678	-	638	2,188
-	-	-	-	-	1,955	83,315	85,270
-	30,345	147,985	-	-	-	66,310	257,258
-	-	-	-	38,398	-	34,261	73,759
61,096	-	-	-	-	-	57,525	178,552
-	-	-	21,554	-	-	143,614	166,005
-	-	-	8,986	-	-	209,994	219,269
-	-	-	-	-	-	14,268	28,115
-	-	-	-	-	-	583,983	626,358
-	-	-	-	-	-	1,806	1,806
-	-	-	-	-	-	782	782
-	-	-	-	-	-	130	130
-	-	-	-	-	-	518	518
-	-	-	-	-	-	36,458	36,458
-	-	-	-	-	-	9,341	9,341
-	-	-	-	-	-	(32,586)	(32,586)
61,863	**30,345**	**147,985**	**30,540**	**39,076**	**1,955**	**1,210,357**	**1,653,223**
$ 274,077	**$ 151,882**	**$ 164,627**	**$ 36,603**	**$ 52,548**	**$ 93,108**	**$ 1,541,999**	**$ 2,650,469**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Special Revenue Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Public Health Department	Education Department	Economic and Community Affairs	Revenues Allocated to Other Governments	Other Medicaid Funds
REVENUES					
Taxes	$ 2,749	$ 2,346	$ 0	$ 310,133	$ 371,268
Licenses, Permits, and Fees	42,208	833	54	35,679	-
Fines, Forfeits, and Court Settlements	155	-	1,436	3	-
Investment Income	-	-	77	-	-
Federal Grants and Reimbursements	397,551	915,167	171,275	1,689	-
Other Revenues	24,260	33,516	4,086	-	-
Total Revenues	**466,923**	**951,862**	**176,928**	**347,504**	**371,268**
EXPENDITURES					
Current:					
Economic Development and Regulation	-	-	-	-	-
Education and Cultural Resources	-	887,726	-	4,918	-
Natural Resources and Recreation	-	-	-	2,952	-
Health	574,813	-	-	347	368,400
Social Services	-	50,396	23,577	-	-
Protection of Persons and Property	-	-	-	271	-
Transportation	-	-	-	202,142	-
General Government	-	-	149,289	204,319	-
Capital Outlay	-	-	-	-	-
Debt Service - Principal Retirement	2,700	-	-	-	-
Debt Service - Interest and Other Charges	560	-	201	-	-
Total Expenditures	**578,073**	**938,122**	**173,067**	**414,949**	**368,400**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(111,150)**	**13,740**	**3,861**	**(67,445)**	**2,868**
OTHER FINANCING SOURCES (USES)					
Transfers In	144,682	1,828	10,699	50,531	30,034
Bonds Issued	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	-
Capital Leases	-	-	-	-	-
Debt Issuance Premiums	-	-	-	-	-
Insurance Recovery Proceeds	-	-	7	-	-
Transfers Out	(51,677)	(25,168)	(16,532)	-	(30,034)
Total Other Financing Sources (Uses)	**93,005**	**(23,340)**	**(5,826)**	**50,531**	**0**
Net Change in Fund Balances	**(18,145)**	**(9,600)**	**(1,965)**	**(16,914)**	**2,868**
Fund Balances, October 1, 2014, as Restated	59,821	22,501	35,064	41,803	15,645
Increase (Decrease) in Inventory	-	-	24	-	-
Fund Balances, September 30, 2015	**$ 41,676**	**$ 12,901**	**$ 33,123**	**$ 24,889**	**$ 18,513**

Mental Health	Public School Fund	Public School and College Authority	Labor Department	Conservation and Natural Resources	Twenty-first Century Authority	Other Special Revenue Funds	Totals
$ 213,101	$ 174,616	$ 0	$ 4,194	$ 8,949	$ 0	$ 200,704	$ 1,288,060
109	40	-	272	20,999	-	414,682	514,876
-	-	-	115	825	92,057	29,873	124,464
17	-	359	35	761	1	1,275	2,525
28,326	-	-	56,470	42,621	-	346,700	1,959,799
12,051	52,398	-	297	128,969	-	214,118	469,695
253,604	**227,054**	**359**	**61,383**	**203,124**	**92,058**	**1,207,352**	**4,359,419**
-	-	-	-	-	378	131,996	132,374
-	165,710	136,770	-	-	-	111,166	1,306,290
-	-	-	-	210,220	-	21,815	234,987
730,232	-	-	-	-	-	108,220	1,782,012
-	-	-	65,926	-	-	267,957	407,856
-	-	-	8,305	584	-	595,471	604,631
-	-	-	-	-	-	27,395	229,537
-	-	-	-	-	-	301,447	655,055
-	-	140	-	-	-	6,883	7,023
-	-	-	59	-	-	5,257	8,016
-	533	650	3	-	13	5,891	7,851
730,232	**166,243**	**137,560**	**74,293**	**210,804**	**391**	**1,583,498**	**5,375,632**
(476,628)	**60,811**	**(137,201)**	**(12,910)**	**(7,680)**	**91,667**	**(376,146)**	**(1,016,213)**
858,237	533	486	19,405	15,919	92,069	501,658	1,726,081
-	-	46,775	-	-	-	1,740	48,515
-	-	459	-	-	-	-	459
-	-	-	-	-	-	7,709	7,709
-	-	6,297	-	-	-	-	6,297
9	-	-	17	254	-	2,937	3,224
(360,197)	(54,700)	(599)	(1,197)	(19,291)	(203,804)	(195,192)	(958,391)
498,049	**(54,167)**	**53,418**	**18,225**	**(3,118)**	**(111,735)**	**318,852**	**833,894**
21,421	**6,644**	**(83,783)**	**5,315**	**(10,798)**	**(20,068)**	**(57,294)**	**(182,319)**
40,840	23,701	231,768	25,225	49,856	22,023	1,267,697	1,835,944
(398)	-	-	-	18	-	(46)	(402)
$ 61,863	**$ 30,345**	**$ 147,985**	**$ 30,540**	**$ 39,076**	**$ 1,955**	**$ 1,210,357**	**$ 1,653,223**

STATE OF ALABAMA

COMBINING BALANCE SHEET
Other Nonmajor Special Revenue Funds

September 30, 2015
(Amounts in Thousands)

	Corrections	Environmental Management	Professional and Occupational Boards	Emergency Management	Rehabilitation Services
ASSETS					
Cash and Cash Equivalents	$ 29,795	$ 18,854	$ 47,379	$ 1,552	$ 37,445
Investments	-	47,676	16,179	-	-
Due From Other Funds	4,385	679	8	116	1,990
Due From Component Units	-	2,274	-	-	-
Investment Sales Receivable	-	-	-	-	-
Accounts Receivable	694	-	161	1	24
Taxes Receivable	-	-	-	-	-
Due From Other Governments	20	-	-	-	-
Securities Lending Collateral	103	73	110	6	144
Inventory	-	-	-	-	103
Restricted Assets	-	-	-	-	-
Other Assets	-	-	26	-	-
TOTAL ASSETS	**$ 34,997**	**$ 69,556**	**$ 63,863**	**$ 1,675**	**$ 39,706**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Warrants Payable	$ 0	$ 523	$ 244	$ 198	$ 271
Investment Purchases Payable	-	-	-	-	-
Due To Other Funds	60	6,932	380	124	891
Due To Component Units	-	411	-	-	-
Accounts Payable	5,062	12,632	2,929	294	13,240
Due To Other Governments	-	1,283	7	46	137
Securities Lending Obligation	103	73	110	6	144
Unearned Revenue	-	-	4,240	-	-
Amounts Held in Custody for Others	-	26	905	1	-
Compensated Absences	-	128	20	-	54
Notes and Mortgages Payable	1,130	-	-	-	-
Capital Lease Obligations	-	6	-	-	-
Total Liabilities	**6,355**	**22,014**	**8,835**	**669**	**14,737**
Deferred Inflows Of Resources	**0**	**0**	**0**	**0**	**0**
Fund Balances					
Nonspendable:					
Inventory	-	-	-	-	103
Restricted for:					
Economic Development and Regulation	-	-	-	-	-
Education and Cultural Resources	-	-	-	-	1,541
Natural Resources and Recreation	-	-	6	-	-
Health	-	47,542	-	-	-
Social Services	-	-	-	-	23,325
Protection of Persons and Property	5,630	-	50,429	1,006	-
Transportation	-	-	-	-	-
General Government	-	-	-	-	-
Assigned for:					
Economic Development and Regulation	-	-	-	-	-
Education and Cultural Resources	-	-	-	-	-
Natural Resources and Recreation	-	-	-	-	-
Social Services	-	-	-	-	-
Protection of Persons and Property	23,012	-	4,593	-	-
General Government	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	**28,642**	**47,542**	**55,028**	**1,006**	**24,969**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 34,997**	**$ 69,556**	**$ 63,863**	**$ 1,675**	**$ 39,706**

Children First Trust	Forever Wild Trust	Fair Trial Tax Fund	Alabama Capital Improvement Trust	County and Municipal Capital Improvement	Revenue Administrative Fund	Miscellaneous Special Revenue Funds	Totals
$ 7,875	$ 769	$ 1,671	$ 0	$ 0	$ 40,239	$ 650,946	$ 836,525
-	26,167	-	6,442	438,128	-	97,587	632,179
766	4	-	-	-	15	18,121	26,084
-	-	-	-	-	-	15	2,289
-	-	-	-	1,763	-	-	1,763
103	-	1	19	1,248	11	12,775	15,037
-	-	15	-	-	4,138	531	4,684
-	-	-	-	-	-	19,140	19,160
31	3	6	-	-	156	2,047	2,679
-	-	-	-	-	361	174	638
-	-	-	-	-	-	785	785
-	-	-	-	-	-	150	176
$ 8,775	**$ 26,943**	**$ 1,693**	**$ 6,461**	**$ 441,139**	**$ 44,920**	**$ 802,271**	**$ 1,541,999**
$ 982	$ 0	$ 270	$ 0	$ 0	$ 32	$ 5,333	$ 7,853
-	-	-	-	3,275	-	-	3,275
1,069	2	90	-	-	1,928	11,832	23,308
-	-	-	-	-	-	476	887
2,346	67	576	-	-	9,757	107,928	154,831
96	-	334	-	-	30	18,200	20,133
31	3	6	-	-	156	2,047	2,679
-	-	-	-	-	-	919	5,159
-	-	-	-	-	54	104,275	105,261
3	-	24	-	-	106	510	845
-	-	-	-	-	-	24	1,154
-	-	-	-	-	-	48	54
4,527	**72**	**1,300**	**0**	**3,275**	**12,063**	**251,592**	**325,439**
0	**0**	**0**	**7**	**492**	**0**	**5,704**	**6,203**
-	-	-	-	-	361	174	638
-	-	-	-	-	-	83,315	83,315
-	-	-	-	-	-	64,769	66,310
-	26,871	-	-	-	-	7,384	34,261
572	-	-	-	-	-	9,411	57,525
2,088	-	-	-	-	-	118,201	143,614
982	-	-	-	-	-	151,947	209,994
-	-	-	-	-	-	14,268	14,268
606	-	393	6,454	437,372	32,496	106,662	583,983
-	-	-	-	-	-	1,806	1,806
-	-	-	-	-	-	782	782
-	-	-	-	-	-	130	130
-	-	-	-	-	-	518	518
-	-	-	-	-	-	8,853	36,458
-	-	-	-	-	-	9,341	9,341
-	-	-	-	-	-	(32,586)	(32,586)
4,248	**26,871**	**393**	**6,454**	**437,372**	**32,857**	**544,975**	**1,210,357**
$ 8,775	**$ 26,943**	**$ 1,693**	**$ 6,461**	**$ 441,139**	**$ 44,920**	**$ 802,271**	**$ 1,541,999**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Other Nonmajor Special Revenue Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Corrections	Environmental Management	Professional and Occupational Boards	Emergency Management	Rehabilitation Services
REVENUES					
Taxes	$ 0	$ 6,273	$ 0	$ 0	$ 0
Licenses, Permits, and Fees	5,419	64,129	41,186	-	-
Fines, Forfeits, and Court Settlements	1,982	3,474	8,640	-	906
Investment Income	1	98	249	-	-
Federal Grants and Reimbursements	343	18,344	56	44,695	68,438
Other Revenues	24,200	6,003	840	697	799
Total Revenues	**31,945**	**98,321**	**50,971**	**45,392**	**70,143**
EXPENDITURES					
Current:					
Economic Development and Regulation	-	-	-	-	-
Education and Cultural Resources	-	-	-	-	5,713
Natural Resources and Recreation	-	-	7	-	-
Health	-	100,365	-	-	-
Social Services	-	-	-	-	87,202
Protection of Persons and Property	49,978	-	47,619	56,506	-
Transportation	-	-	-	-	-
General Government	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service - Principal Retirement	2,474	192	-	-	-
Debt Service - Interest and Other Charges	3,484	488	5	-	-
Total Expenditures	**55,936**	**101,045**	**47,631**	**56,506**	**92,915**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(23,991)**	**(2,724)**	**3,340**	**(11,114)**	**(22,772)**
OTHER FINANCING SOURCES (USES)					
Transfers In	22,139	5,583	2,647	1,667	27,123
Bonds Issued	-	-	-	-	-
Capital Leases	-	-	-	-	-
Insurance Recovery Proceeds	296	15	2	-	6
Transfers Out	-	(3,292)	(3,316)	(1,445)	(3,325)
Total Other Financing Sources (Uses)	**22,435**	**2,306**	**(667)**	**222**	**23,804**
Net Change in Fund Balances	**(1,556)**	**(418)**	**2,673**	**(10,892)**	**1,032**
Fund Balances, October 1, 2014, as Restated	30,198	47,960	52,355	11,898	23,983
Increase (Decrease) in Inventory	-	-	-	-	(46)
Fund Balances, September 30, 2015	**$ 28,642**	**$ 47,542**	**$ 55,028**	**$ 1,006**	**$ 24,969**

Children First Trust	Forever Wild Trust	Fair Trial Tax Fund	Alabama Capital Improvement Trust	County and Municipal Capital Improvement	Revenue Administrative Fund	Miscellaneous Special Revenue Funds	Totals
$ 0	$ 0	$ 12,148	$ 0	$ 0	$ 131,249	$ 51,034	$ 200,704
-	221	294	-	-	4,467	298,966	414,682
-	-	-	-	-	-	14,871	29,873
-	44	-	10	(11)	-	884	1,275
17	-	24	-	-	245	214,538	346,700
7	63	4,427	-	-	5,616	171,466	214,118
24	**328**	**16,893**	**10**	**(11)**	**141,577**	**751,759**	**1,207,352**
-	-	-	-	-	-	131,996	131,996
-	-	-	-	-	-	105,453	111,166
-	4,683	-	-	-	-	17,125	21,815
4,695	-	-	-	-	-	3,160	108,220
17,133	-	-	-	-	-	163,622	267,957
8,054	-	-	-	-	-	433,314	595,471
-	-	-	-	-	-	27,395	27,395
4,970	-	61,838	3	993	119,620	114,023	301,447
-	-	-	-	-	-	6,883	6,883
-	-	-	-	-	-	2,591	5,257
-	-	-	-	-	-	1,914	5,891
34,852	**4,683**	**61,838**	**3**	**993**	**119,620**	**1,007,476**	**1,583,498**
(34,828)	**(4,355)**	**(44,945)**	**7**	**(1,004)**	**21,957**	**(255,717)**	**(376,146)**
45,656	14,628	45,995	24,968	6,102	6,046	299,104	501,658
-	-	-	-	-	-	1,740	1,740
-	-	-	-	-	-	7,709	7,709
-	-	-	-	-	-	2,618	2,937
(11,912)	(1,274)	(998)	(25,425)	(21,275)	(16,980)	(105,950)	(195,192)
33,744	**13,354**	**44,997**	**(457)**	**(15,173)**	**(10,934)**	**205,221**	**318,852**
(1,084)	**8,999**	**52**	**(450)**	**(16,177)**	**11,023**	**(50,496)**	**(57,294)**
5,332	17,872	341	6,904	453,549	21,834	595,471	1,267,697
-	-	-	-	-	-	-	(46)
$ 4,248	**$ 26,871**	**$ 393**	**$ 6,454**	**$ 437,372**	**$ 32,857**	**$ 544,975**	**$ 1,210,357**

ALABAMA
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RIVER
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Nonmajor Debt Service Funds

Nonmajor Debt Service Funds account for financial resources that are restricted, committed or assigned to expenditure for the payment of general governmental debt principal and interest.

Public School and College Authority

Accounts for the accumulation of resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State educational facilities.

General Obligation Bonds

Accounts for the accumulation of resources used to pay general obligation interest and principal on debt issued by the State for the purpose of financing a wide variety of construction projects.

Twenty-first Century Authority

Accounts for the accumulation of resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing incentive grants to major industries locating or expanding within the State.

Incentives Financing Authority

Accounts for the accumulation of resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State worker training facilities.

Industrial Development Authority

Accounts for the accumulation of resources used to pay the interest and principal on debt issued by the Authority for the purpose of making industrial development grants to local governments.

Federal Aid Highway Finance Authority

Accounts for resources used to pay interest and principal on debt issued to finance road and bridge construction.

Public Health Care Authority

Accounts for resources used to pay interest and principal on debt issued to finance public health facilities.

Corrections Institution Finance Authority

Accounts for resources used to pay interest and principal on debt issued to finance prison facilities.

Mental Health Finance Authority

Accounts for the accumulation of resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State mental health facilities.

Judicial Building Authority

Accounts for the accumulation of resources used to pay the interest and principal on debt issued by the Authority for the purpose of financing the construction of facilities used by the unified judicial system.

Highway Finance Corporation

Accounts for the accumulation of resources used to pay the interest and principal on debt issued by the Corporation for the purpose of financing improvements to the State's roads and bridges.

Other Debt Service

Accounts for the accumulation of resources used to pay the interest and principal on all other debt issued by State.

COMBINING BALANCE SHEET
Nonmajor Debt Service Funds

September 30, 2015
(Amounts in Thousands)

	Public School & College Authority	General Obligation Bonds	Twenty-first Century Authority	Incentives Financing Authority	Industrial Development Authority
ASSETS					
Cash and Cash Equivalents	$ 536	$ 0	$ 17,454	$ 25,143	$ 87
Investments	80,561	-	-	-	-
Taxes Receivable	11,377	-	-	-	-
Securities Lending Collateral	2	-	-	-	-
TOTAL ASSETS	**$ 92,476**	**$ 0**	**$ 17,454**	**$ 25,143**	**$ 87**
LIABILITIES AND FUND BALANCES					
Liabilities					
Securities Lending Obligation	$ 2	$ 0	$ 0	$ 0	$ 0
Total Liabilities	**2**	**0**	**0**	**0**	**0**
Fund Balances					
Restricted for:					
Debt Service	92,474	-	17,454	25,143	87
Total Fund Balances	**92,474**	**0**	**17,454**	**25,143**	**87**
TOTAL LIABILITIES AND FUND BALANCES	**$ 92,476**	**$ 0**	**$ 17,454**	**$ 25,143**	**$ 87**

Federal Aid Highway Finance Authority	Public Health Care Authority	Corrections Institution Finance Authority	Mental Health Finance Authority	Judicial Building Authority	Highway Finance Corporation	Other Debt Service Funds	Totals
$ 4	$ 0	$ 0	$ 3,140	$ 0	$ 0	$ 0	$ 46,364
-	296	-	-	-	-	-	80,857
-	-	-	150	-	-	-	11,527
-	-	-	12	-	-	-	14
$ 4	**$ 296**	**$ 0**	**$ 3,302**	**$ 0**	**$ 0**	**$ 0**	**$ 138,762**
$ 0	$ 0	$ 0	$ 12	$ 0	$ 0	$ 0	$ 14
0	**0**	**0**	**12**	**0**	**0**	**0**	**14**
4	296	-	3,290	-	-	-	138,748
4	**296**	**0**	**3,290**	**0**	**0**	**0**	**138,748**
$ 4	**$ 296**	**$ 0**	**$ 3,302**	**$ 0**	**$ 0**	**$ 0**	**$ 138,762**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Debt Service Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Public School & College Authority	General Obligation Bonds	Twenty-first Century Authority	Incentives Financing Authority	Industrial Development Authority
REVENUES					
Taxes	$ 197,465	$ 0	$ 0	$ 0	$ 0
Investment Income	2,319	-	8	13	-
Federal Grants and Reimbursements	5,570	-	-	-	-
Other Revenues	13,118	-	-	-	-
Total Revenues	**218,472**	**0**	**8**	**13**	**0**
EXPENDITURES					
Debt Service - Principal Retirement	168,460	39,180	8,820	5,550	-
Debt Service - Interest and Other Charges	101,762	27,871	4,025	12,384	-
Total Expenditures	**270,222**	**67,051**	**12,845**	**17,934**	**0**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(51,750)**	**(67,051)**	**(12,837)**	**(17,921)**	**0**
OTHER FINANCING SOURCES (USES)					
Transfers In	71,772	67,051	12,669	17,932	-
Bonds Issued	-	-	-	-	-
Refunding Bonds Issued	80,786	-	-	-	-
Debt Issuance Premiums	16,198	-	-	-	-
Transfers Out	-	-	(3)	-	-
Payments to Refunded Bond Escrow Agent	(99,046)	-	-	-	-
Total Other Financing Sources (Uses)	**69,710**	**67,051**	**12,666**	**17,932**	**0**
Net Change in Fund Balances	**17,960**	**0**	**(171)**	**11**	**0**
Fund Balances, October 1, 2014, as Restated	74,514	0	17,625	25,132	87
Fund Balances, September 30, 2015	**$ 92,474**	**$ 0**	**$ 17,454**	**$ 25,143**	**$ 87**

Federal Aid Highway Finance Authority	Public Health Care Authority	Corrections Institution Finance Authority	Mental Health Finance Authority	Judicial Building Authority	Highway Finance Corporation	Other Debt Service Funds	Totals
$ 0	$ 0	$ 0	$ 1,650	$ 0	$ 0	$ 1,846	$ 200,961
-	6	-	-	-	-	-	2,346
-	-	-	-	-	-	-	5,570
-	-	2,091	-	-	-	-	15,209
0	**6**	**2,091**	**1,650**	**0**	**0**	**1,846**	**224,086**
23,740	995	2,040	1,700	3,290	3,410	930	258,115
30,064	3,038	51	383	683	405	916	181,582
53,804	**4,033**	**2,091**	**2,083**	**3,973**	**3,815**	**1,846**	**439,697**
(53,804)	**(4,027)**	**0**	**(433)**	**(3,973)**	**(3,815)**	**0**	**(215,611)**
53,808	4,108	-	2,083	3,973	3,815	-	237,211
-	31,010	-	-	-	-	-	31,010
-	24,845	-	-	-	-	-	105,631
-	4,115	-	-	-	-	-	20,313
-	(48,425)	-	(2,083)	-	-	-	(50,511)
-	(25,391)	-	-	-	-	-	(124,437)
53,808	**(9,738)**	**0**	**0**	**3,973**	**3,815**	**0**	**219,217**
4	**(13,765)**	**0**	**(433)**	**0**	**0**	**0**	**3,606**
0	14,061	0	3,723	0	0	0	135,142
$ 4	**$ 296**	**$ 0**	**$ 3,290**	**$ 0**	**$ 0**	**$ 0**	**$ 138,748**

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TOMBIGBEE RIVER
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Nonmajor Capital Projects Funds

Nonmajor Capital Projects Funds account for financial resources restricted, committed or assigned to expenditure for the acquisition, construction, and improvement of major general governmental capital assets.

Public School and College Authority

Accounts for the proceeds of debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State educational facilities.

General Obligation Bond Projects

Accounts for the proceeds of general obligation debt issued by the State for a wide variety of construction projects involving waterways, parks, roads, prisons, mental hospitals, research labs, and other buildings.

Incentives Finance Authority

Accounts for the proceeds of debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State worker training facilities.

Public Health Care Authority

Accounts for the proceeds of debt issued by the Authority for the purpose of financing the construction of public health facilities.

Mental Health Finance Authority

Accounts for the proceeds of debt issued by the Authority for the purpose of financing the construction, renovation, and equipping of State mental health facilities.

Judicial Building Authority

Accounts for proceeds of debt issued by the authority for the purpose of acquiring, constructing, and equipping judicial facilities.

Federal Aid Highway Finance Authority

Accounts for the proceeds of debt issued by the Authority for the purpose of financing improvements to the State's roads and bridges.

Highway Finance Corporation

Accounts for the proceeds of debt issued by the Corporation for the purpose of funding improvements to the State's roads and bridges.

Other Capital Project Funds

Accounts for the proceeds of all other debt issued by the State to fund capital projects.

COMBINING BALANCE SHEET
Nonmajor Capital Projects Funds

September 30, 2015
(Amounts in Thousands)

	Public School and College Authority	General Obligation Bond Projects	Incentives Finance Authority	Public Health Care Authority	Mental Health Finance Authority
ASSETS					
Cash and Cash Equivalents	$ 0	$ 2,808	$ 0	$ 22,861	$ 8,252
Investments	-	-	-	32,933	-
Due From Other Funds	41	1,614	1,817	-	-
Due From Component Units	-	-	-	-	48,584
Securities Lending Collateral	-	1	-	-	-
TOTAL ASSETS	**$ 41**	**$ 4,423**	**$ 1,817**	**$ 55,794**	**$ 56,836**
LIABILITIES AND FUND BALANCES					
Liabilities					
Warrants Payable	$ 0	$ 166	$ 0	$ 0	$ 0
Accounts Payable	-	-	-	184	-
Securities Lending Obligation	-	1	-	-	-
Total Liabilities	**0**	**167**	**0**	**184**	**0**
Deferred Inflows Of Resources	**0**	**0**	**0**	**0**	**39,429**
Fund Balances					
Restricted for:					
Capital Projects	41	4,256	1,817	55,610	17,407
Total Fund Balances	**41**	**4,256**	**1,817**	**55,610**	**17,407**
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 41**	**$ 4,423**	**$ 1,817**	**$ 55,794**	**$ 56,836**

Judicial Building Authority	Federal Aid Highway Finance Authority	Highway Finance Corporation	Other Capital Project Funds	Totals
$ 564	$ 574,984	$ 21,160	$ 28	$ 630,657
-	-	-	-	32,933
-	-	-	-	3,472
-	-	-	-	48,584
-	-	-	-	1
$ 564	**$ 574,984**	**$ 21,160**	**$ 28**	**$ 715,647**
$ 0	$ 0	$ 0	$ 1	$ 167
48	-	-	1	233
-	-	-	-	1
48	**0**	**0**	**2**	**401**
0	**0**	**0**	**0**	**39,429**
516	574,984	21,160	26	675,817
516	**574,984**	**21,160**	**26**	**675,817**
$ 564	**$ 574,984**	**$ 21,160**	**$ 28**	**$ 715,647**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Capital Projects Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Public School and College Authority	General Obligation Bond Projects	Incentives Finance Authority	Public Health Care Authority	Mental Health Finance Authority
REVENUES					
Licenses, Permits, and Fees	$ 0	$ 0	$ 0	$ 0	$ 113
Investment Income	-	5	-	13	12
Other Revenues	-	-	-	-	13,245
Total Revenues	**0**	**5**	**0**	**13**	**13,370**
EXPENDITURES					
Current:					
Education and Cultural Resources	-	-	-	-	-
Health	-	-	-	-	3,200
General Government	-	-	-	-	-
Capital Outlay	938	18,015	4,431	1,358	4,380
Total Expenditures	**938**	**18,015**	**4,431**	**1,358**	**7,580**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**(938)**	**(18,010)**	**(4,431)**	**(1,345)**	**5,790**
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	6,000	53,985	17
Bonds Issued	-	-	-	-	-
Debt Issuance Premiums	-	-	-	-	-
Transfers Out	(486)	-	-	-	(1,581)
Total Other Financing Sources (Uses)	**(486)**	**0**	**6,000**	**53,985**	**(1,564)**
Net Change in Fund Balances	**(1,424)**	**(18,010)**	**1,569**	**52,640**	**4,226**
Fund Balances, October 1, 2014, as Restated	1,465	22,266	248	2,970	13,181
Fund Balances, September 30, 2015	**$ 41**	**$ 4,256**	**$ 1,817**	**$ 55,610**	**$ 17,407**

Judicial Building Authority	Federal Aid Highway Finance Authority	Highway Finance Corporation	Other Capital Project Funds	Totals
$ 0	$ 0	$ 0	$ 0	$ 113
-	202	25	-	257
-	-	-	-	13,245
0	**202**	**25**	**0**	**13,615**
-	-	-	36	36
-	-	-	-	3,200
-	-	-	525	525
192	-	-	-	29,314
192	**0**	**0**	**561**	**33,075**
(192)	**202**	**25**	**(561)**	**(19,460)**
-	-	-	838	60,840
-	531,435	-	-	531,435
-	68,565	-	-	68,565
-	(226,248)	(2,385)	-	(230,700)
0	**373,752**	**(2,385)**	**838**	**430,140**
(192)	**373,954**	**(2,360)**	**277**	**410,680**
708	201,030	23,520	(251)	265,137
$ 516	**$ 574,984**	**$ 21,160**	**$ 26**	**$ 675,817**

ALABAMA
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GREAT SEAL

Nonmajor Permanent Funds

Nonmajor Permanent Funds report resources that are legally restricted so that only earnings, not principal, may be used for purposes that support the State's governmental programs.

Marine, Game and Fish Endowment

Invests the proceeds of lifetime hunting and fishing licenses and uses the investment income to preserve, protect, propagate, and develop wildlife within the State.

Alabama Research Alliance

Is a trust fund which awards research grants to State universities to promote science and technology.

Senior Services Trust

Invests a portion of the proceeds from the tobacco settlement in order to accumulate money to expand programs benefiting elderly citizens.

Other Permanent Funds

Accounts for several small permanent funds which further educational, health, and social programs.

COMBINING BALANCE SHEET
Nonmajor Permanent Funds

September 30, 2015
(Amounts in Thousands)

	Marine, Game, and Fish Endowment	Alabama Research Alliance	Senior Services Trust	Other Permanent Funds	Totals
ASSETS					
Cash and Cash Equivalents	$ 312	$ 17	$ 2	$ 59	$ 390
Investments	22,706	14,437	36,072	15,464	88,679
Accounts Receivable	1	7	225	-	233
Mortgages, Notes, and Loans Receivable	-	-	-	58	58
Securities Lending Collateral	686	-	1,833	-	2,519
TOTAL ASSETS	**$ 23,705**	**$ 14,461**	**$ 38,132**	**$ 15,581**	**$ 91,879**
LIABILITIES AND FUND BALANCES					
Liabilities					
Investment Purchases Payable	$ 116	$ 0	$ 185	$ 0	$ 301
Due To Other Funds	63	14	-	-	77
Accounts Payable	-	82	-	-	82
Securities Lending Obligation	686	-	1,833	-	2,519
Total Liabilities	**865**	**96**	**2,018**	**0**	**2,979**
Fund Balances					
Nonspendable:					
Permanent Fund Principal	22,840	11,500	36,114	15,089	85,543
Restricted for:					
Education and Cultural Resources	-	2,865	-	55	2,920
Health	-	-	-	55	55
General Government	-	-	-	382	382
Total Fund Balances	**22,840**	**14,365**	**36,114**	**15,581**	**88,900**
TOTAL LIABILITIES AND FUND BALANCES	**$ 23,705**	**$ 14,461**	**$ 38,132**	**$ 15,581**	**$ 91,879**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Permanent Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Marine, Game, and Fish Endowment	Alabama Research Alliance	Senior Services Trust	Other Permanent Funds	Totals
REVENUES					
Licenses, Permits, and Fees	$ 1,105	$ 0	$ 0	$ 100	$ 1,205
Investment Income	(139)	478	931	452	1,722
Other Revenues	-	-	8	-	8
Total Revenues	**966**	**478**	**939**	**552**	**2,935**
EXPENDITURES					
Current:					
Education and Cultural Resources	-	654	-	-	654
Social Services	-	-	12	-	12
General Government	-	-	-	10	10
Total Expenditures	**0**	**654**	**12**	**10**	**676**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**966**	**(176)**	**927**	**542**	**2,259**
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	2,814	-	2,814
Transfers Out	-	(14)	(764)	(414)	(1,192)
Total Other Financing Sources (Uses)	**0**	**(14)**	**2,050**	**(414)**	**1,622**
Net Change in Fund Balances	**966**	**(190)**	**2,977**	**128**	**3,881**
Fund Balances, October 1, 2014, as Restated	21,874	14,555	33,137	15,453	85,019
Fund Balances, September 30, 2015	**$ 22,840**	**$ 14,365**	**$ 36,114**	**$ 15,581**	**$ 88,900**

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Governmental Funds Supplementary Information

Governmental Funds Supplementary Information includes non-GAAP basis schedules demonstrating compliance with the legally adopted budget and summaries of governmental fund revenues in the State Treasury.

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*

For the Fiscal Year Ended September 30, 2015

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
EXPENDITURES:			
Administrative Office of Courts			
Administrative Services	3,212	3,212	-
Alabama Sentencing Commission	313	313	-
Court Operations	78,500	78,500	-
Drug Court	1,965	1,965	-
Juvenile Probation Officer Services	8,843	8,843	-
TOTAL Administrative Office of Courts	**92,833**	**92,833**	**-**
Agriculture and Industries			
Administrative Services	1,688	1,688	-
Agricultural Development Services	429	429	-
Agricultural Inspection Services	4,584	4,584	-
Lab Analysis and Disease Control	2,992	2,992	-
TOTAL Agriculture and Industries	**9,693**	**9,693**	**-**
Alabama Community College System			
Adult Education	-	-	-
Adult Education: Adult Basic Education	-	-	-
Postsecondary Administration	-	-	-
Postsecondary Administration: Postsecondary/Chancellor's	-	-	-
Postsecondary-Prison Education: Prison Education-Operations and Maintenance	-	-	-
Postsecondary-Special Line Items: Mine Safety	-	-	-
Postsecondary-Special Line Items: Special Populations Training	-	-	-
Postsecondary-Technical Colleges	-	-	-
Postsecondary-Technical Colleges: Truck Driver Training-CACC	-	-	-
Postsecondary-Two Year Colleges	-	-	-
Postsecondary-Two Year Colleges: Alabama Technology Network	-	-	-
Postsecondary-Two Year Colleges: Dual Enrollment	-	-	-
Postsecondary-Two Year Colleges: Marion Military Institute	-	-	-
Postsecondary-Two Year Colleges: Two Year Colleges/Operations and Maintenance	-	-	-
Postsecondary-Two Year Colleges: Workforce Development	-	-	-
TOTAL Alabama Community College System	**-**	**-**	**-**
Attorney General			
Fair Marketing Practices: Consumer Protection	-	-	-
Legal Advice and Legal Service: Attorney General - Operations	3,084	3,084	-
TOTAL Attorney General	**3,084**	**3,084**	**-**
Auditor			
Fiscal Management	1,072	929	143
TOTAL Auditor	**1,072**	**929**	**143**
Commission on Higher Education			
Planning and Coordination Services	-	-	-
Student Financial Aid	-	-	-
Support - Other Educational Activities	-	-	-
Support of State Programs	-	-	-
Support of State Universities	-	-	-
TOTAL Commission on Higher Education	**-**	**-**	**-**
Corrections			
Administration Service and Logistical Support	22,948	22,938	10
Correctional Industries	-	-	-
Institutional Service Corrections	379,553	377,614	1,939
TOTAL Corrections	**402,501**	**400,552**	**1,949**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	3,212	3,212	-
-	-	-	-	-	-	313	313	-
-	-	-	80,456	74,382	6,074	158,956	152,882	6,074
-	-	-	-	-	-	1,965	1,965	-
-	-	-	8,117	7,208	909	16,960	16,051	909
-	**-**	**-**	**88,573**	**81,590**	**6,983**	**181,406**	**174,423**	**6,983**
-	-	-	4,237	3,896	341	5,925	5,584	341
-	-	-	5,137	2,759	2,378	5,566	3,188	2,378
-	-	-	13,571	10,012	3,559	18,155	14,596	3,559
-	-	-	6,177	5,139	1,038	9,169	8,131	1,038
-	**-**	**-**	**29,122**	**21,806**	**7,316**	**38,815**	**31,499**	**7,316**
-	-	-	17,715	11,162	6,553	17,715	11,162	6,553
12,399	12,398	1	-	-	-	12,399	12,398	1
-	-	-	4,730	3,039	1,691	4,730	3,039	1,691
7,486	7,483	3	-	-	-	7,486	7,483	3
9,346	9,346	-	-	-	-	9,346	9,346	-
321	321	-	-	-	-	321	321	-
4,500	4,500	-	-	-	-	4,500	4,500	-
-	-	-	2,000	1,443	557	2,000	1,443	557
241	241	-	-	-	-	241	241	-
-	-	-	1,135	643	492	1,135	643	492
4,647	4,647	-	-	-	-	4,647	4,647	-
5,000	5,000	-	-	-	-	5,000	5,000	-
6,344	6,344	-	-	-	-	6,344	6,344	-
280,445	280,445	-	-	-	-	280,445	280,445	-
2,917	2,917	-	-	-	-	2,917	2,917	-
333,646	**333,642**	**4**	**25,580**	**16,287**	**9,293**	**359,226**	**349,929**	**9,297**
-	-	-	1,249	1,077	172	1,249	1,077	172
-	-	-	19,367	17,451	1,916	22,451	20,535	1,916
-	**-**	**-**	**20,616**	**18,528**	**2,088**	**23,700**	**21,612**	**2,088**
-	-	-	-	-	-	1,072	929	143
-	**-**	**-**	**-**	**-**	**-**	**1,072**	**929**	**143**
3,053	2,986	67	186	2	184	3,239	2,988	251
5,474	5,435	39	125	-	125	5,599	5,435	164
2,884	2,883	1	1,671	1,022	649	4,555	3,905	650
3,338	3,338	-	-	-	-	3,338	3,338	-
5,041	5,041	-	-	-	-	5,041	5,041	-
19,790	**19,683**	**107**	**1,982**	**1,024**	**958**	**21,772**	**20,707**	**1,065**
-	-	-	-	-	-	22,948	22,938	10
-	-	-	22,086	14,784	7,302	22,086	14,784	7,302
-	-	-	56,764	45,906	10,858	436,317	423,520	12,797
-	**-**	**-**	**78,850**	**60,690**	**18,160**	**481,351**	**461,242**	**20,109**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2015

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Economic and Community Affairs			
Administrative Support Service	91	78	13
Energy Management	279	220	59
Law Enforcement Planning and Development	658	657	1
Planning	6,723	6,697	26
Skills Enhancement/Employment Opportunities	649	649	-
Surplus Property	918	918	-
Water Resources	2,220	1,946	274
TOTAL Economic and Community Affairs	**11,538**	**11,165**	**373**
Education			
Administrative Services	-	-	-
Alabama Science in Motion	-	-	-
At-Risk Student Program	-	-	-
Board of Adjustment	-	-	-
Career Tech Operations and Maintenance	-	-	-
Disability Determination for Social Security	-	-	-
Endowment Interest Program-PSF	-	-	-
Financial Assistance	-	-	-
Foundation Program	-	-	-
Gifted Students Program	-	-	-
Information Technology Services	-	-	-
Liability Insurance Program	-	-	-
Reading is Fundamental Program	-	-	-
School Nurses Program	-	-	-
Transportation Program	-	-	-
TOTAL Education	**-**	**-**	**-**
Emergency Management Agency			
Readiness and Recovery	-	-	-
Readiness and Recovery: Administration	3,446	3,291	155
Readiness and Recovery: FEMA-Match	6,636	6,515	121
TOTAL Emergency Management Agency	**10,082**	**9,806**	**276**
Examiners of Public Accounts			
Legislative Support - Audit Service	7,006	7,006	-
TOTAL Examiners of Public Accounts	**7,006**	**7,006**	**-**
Finance			
Administrative Support Service	-	-	-
Administrative Support Service: Alabama Building Renovation Finance Authority	-	-	-
Administrative Support Service: Capital Complex Maintenance and Repair	-	-	-
Administrative Support Service: Capitol	1,729	902	827
Administrative Support Service: Legal Division	134	108	26
Administrative Support Service: Space Management	2,822	-	2,822
Fiscal Management	-	-	-
Fiscal Management: Budget Office	1,927	1,671	256
Fiscal Management: Director's Office	1,181	154	1,027
Fiscal Management: Purchasing	2,929	2,457	472
TOTAL Finance	**10,722**	**5,292**	**5,430**

Education Trust Fund			Earmarked Funds			Total		
Budget	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**
-	-	-	11,002	10,633	369	11,093	10,711	382
-	-	-	58,056	49,781	8,275	58,335	50,001	8,334
-	-	-	33,330	23,127	10,203	33,988	23,784	10,204
-	-	-	103,563	68,348	35,215	110,286	75,045	35,241
-	-	-	39,185	37,136	2,049	39,834	37,785	2,049
-	-	-	1,876	1,433	443	2,794	2,351	443
-	-	-	7,401	2,755	4,646	9,621	4,701	4,920
-	**-**	**-**	**254,413**	**193,213**	**61,200**	**265,951**	**204,378**	**61,573**
144,210	142,615	1,595	59,512	32,136	27,376	203,722	174,751	28,971
-	-	-	3,761	3,013	748	3,761	3,013	748
20,268	20,268	-	-	-	-	20,268	20,268	-
1,035	1,035	-	-	-	-	1,035	1,035	-
5,000	4,978	22	-	-	-	5,000	4,978	22
-	-	-	96,415	51,451	44,964	96,415	51,451	44,964
-	-	-	533	533	-	533	533	-
32,219	32,052	167	1,243,984	874,077	369,907	1,276,203	906,129	370,074
3,440,797	3,440,790	7	170,040	170,040	-	3,610,837	3,610,830	7
1,100	1,100	-	-	-	-	1,100	1,100	-
3,665	3,665	-	-	-	-	3,665	3,665	-
2,250	2,250	-	-	-	-	2,250	2,250	-
30	30	-	-	-	-	30	30	-
29,985	29,985	-	-	-	-	29,985	29,985	-
315,814	315,814	-	-	-	-	315,814	315,814	-
3,996,373	**3,994,582**	**1,791**	**1,574,245**	**1,131,250**	**442,995**	**5,570,618**	**5,125,832**	**444,786**
-	-	-	142,895	58,037	84,858	142,895	58,037	84,858
-	-	-	-	-	-	3,446	3,291	155
-	-	-	-	-	-	6,636	6,515	121
-	**-**	**-**	**142,895**	**58,037**	**84,858**	**152,977**	**67,843**	**85,134**
6,266	6,266	-	9,977	9,277	700	23,249	22,549	700
6,266	**6,266**	**-**	**9,977**	**9,277**	**700**	**23,249**	**22,549**	**700**
-	-	-	117,540	95,159	22,381	117,540	95,159	22,381
-	-	-	14,147	8,187	5,960	14,147	8,187	5,960
-	-	-	9,053	3,930	5,123	9,053	3,930	5,123
-	-	-	-	-	-	1,729	902	827
-	-	-	-	-	-	134	108	26
-	-	-	-	-	-	2,822	-	2,822
-	-	-	16,008	9,728	6,280	16,008	9,728	6,280
-	-	-	-	-	-	1,927	1,671	256
-	-	-	-	-	-	1,181	154	1,027
-	-	-	-	-	-	2,929	2,457	472
-	**-**	**-**	**156,748**	**117,004**	**39,744**	**167,470**	**122,296**	**45,174**

Continued on next page...

	General Fund		
	Budget	**Actual**	**Variance**
Governor			
Criminal Investigation: Law Enforcement Fund	62	-	62
Executive Direction: Governor's Contingency Fund	159	104	55
Executive Direction: Governor's Office	2,217	1,765	452
Executive Direction: Governor's Office BP Oil Spill	-	-	-
Executive Direction: Governor's Proclamation Expense	477	330	147
Executive Direction: National Governors' Conference	196	142	54
TOTAL Governor	**3,111**	**2,341**	**770**
Human Resources			
Human Services	-	-	-
TOTAL Human Resources	**-**	**-**	**-**
Labor			
Administrative Services	-	-	-
Employment Security	-	-	-
Industrial Safety and Accident Prevention	1,460	1,063	397
Regulation Workers Compensation	-	-	-
Regulatory Services	35	35	-
TOTAL Labor	**1,495**	**1,098**	**397**
Law Enforcement Agency			
Administrative Bureau	-	-	-
Department of Public Safety	-	-	-
Information Bureau	-	-	-
Law Enforcement Support	-	-	-
Readiness and Recovery	-	-	-
State Bureau of Investigation	-	-	-
TOTAL Law Enforcement Agency	**-**	**-**	**-**
Legislature			
Commission to Reduce Poverty	7	-	7
Legislative Operations and Support	24,681	18,185	6,496
TOTAL Legislature	**24,688**	**18,185**	**6,503**
Medicaid Agency			
Medical Assistance Through Medicaid: Administrative Cost	27,955	23,604	4,351
Medical Assistance Through Medicaid: Alternative Care	40,711	36,798	3,913
Medical Assistance Through Medicaid: Family Planning	2,360	704	1,656
Medical Assistance Through Medicaid: Health Support	25,598	24,362	1,236
Medical Assistance Through Medicaid: Hospital Care	64,000	60,012	3,988
Medical Assistance Through Medicaid: Medicaid-Children's Helath Insurance	-	-	-
Medical Assistance Through Medicaid: Mental Health- Facilities	-	-	-
Medical Assistance Through Medicaid: Mental Health- Other Health Insurance	-	-	-
Medical Assistance Through Medicaid: Mental Health- Waivers	-	-	-
Medical Assistance Through Medicaid: Nursing Home Care	179,442	178,306	1,136
Medical Assistance Through Medicaid: Pharmaceutical	183,413	183,059	354
Medical Assistance Through Medicaid: Physician Care	105,320	102,353	2,967
Medical Assistance Through Medicaid: Premiums	94,685	90,431	4,254
TOTAL Medicaid Agency	**723,484**	**699,629**	**23,855**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	62	-	62
-	-	-	-	-	-	159	104	55
-	-	-	-	-	-	2,217	1,765	452
-	-	-	3,409	123	3,286	3,409	123	3,286
-	-	-	-	-	-	477	330	147
-	-	-	-	-	-	196	142	54
-	**-**	**-**	**3,409**	**123**	**3,286**	**6,520**	**2,464**	**4,056**
-	-	-	2,072,893	1,987,607	85,286	2,072,893	1,987,607	85,286
-	**-**	**-**	**2,072,893**	**1,987,607**	**85,286**	**2,072,893**	**1,987,607**	**85,286**
-	-	-	19,778	13,638	6,140	19,778	13,638	6,140
-	-	-	70,115	53,702	16,413	70,115	53,702	16,413
-	-	-	8,992	4,627	4,365	10,452	5,690	4,762
-	-	-	5,098	3,729	1,369	5,098	3,729	1,369
-	-	-	1,520	1,238	282	1,555	1,273	282
-	**-**	**-**	**105,503**	**76,934**	**28,569**	**106,998**	**78,032**	**28,966**
-	-	-	25,721	13,153	12,568	25,721	13,153	12,568
-	-	-	50,154	38,421	11,733	50,154	38,421	11,733
-	-	-	39,870	29,127	10,743	39,870	29,127	10,743
-	-	-	33,926	18,459	15,467	33,926	18,459	15,467
-	-	-	60	-	60	60	-	60
-	-	-	28,056	15,213	12,843	28,056	15,213	12,843
-	**-**	**-**	**177,787**	**114,373**	**63,414**	**177,787**	**114,373**	**63,414**
-	-	-	-	-	-	7	-	7
3,859	3,742	117	-	-	-	28,540	21,927	6,613
3,859	**3,742**	**117**	**-**	**-**	**-**	**28,547**	**21,927**	**6,620**
-	-	-	271,336	225,372	45,964	299,291	248,976	50,315
-	-	-	327,238	326,679	559	367,949	363,477	4,472
-	-	-	60,655	58,346	2,309	63,015	59,050	3,965
-	-	-	229,230	227,882	1,348	254,828	252,244	2,584
-	-	-	2,131,258	2,084,570	46,688	2,195,258	2,144,582	50,676
-	-	-	83,097	80,473	2,624	83,097	80,473	2,624
-	-	-	2,064	2,060	4	2,064	2,060	4
-	-	-	136,002	135,968	34	136,002	135,968	34
-	-	-	324,354	324,170	184	324,354	324,170	184
-	-	-	773,006	765,838	7,168	952,448	944,144	8,304
-	-	-	506,576	502,396	4,180	689,989	685,455	4,534
-	-	-	414,784	414,630	154	520,104	516,983	3,121
-	-	-	246,834	244,364	2,470	341,519	334,795	6,724
-	**-**	**-**	**5,506,434**	**5,392,748**	**113,686**	**6,229,918**	**6,092,377**	**137,541**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2015

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Mental Health			
Administrative Services	-	-	-
Institutional Treatment and Care of Intellectually Disabled	-	-	-
Institutional Treatment and Care of Mentally Ill	-	-	-
Special Services	-	-	-
Substance Abuse Program	-	-	-
TOTAL Mental Health	**-**	**-**	**-**
Public Health			
Administrative Services	7,972	7,970	2
Children's Health Insurance	-	-	-
Emergency Medical Service Education	-	-	-
Family Practice Rural Health	-	-	-
Public Health Services	25,735	25,704	31
TOTAL Public Health	**33,707**	**33,674**	**33**
Public Safety			
Administrative Services	2,504	2,497	7
Police Services	12,230	12,224	6
Public Safety Support Services	101	67	34
Readiness and Recovery	-	-	-
TOTAL Public Safety	**14,835**	**14,788**	**47**
Public Service Commission			
Regulatory Services	-	-	-
TOTAL Public Service Commission	**-**	**-**	**-**
Rehabilitation Services			
Direct Client Services-Handicap	-	-	-
TOTAL Rehabilitation Services	**-**	**-**	**-**
Revenue			
State Revenue Administration	187	52	135
TOTAL Revenue	**187**	**52**	**135**
Secretary of State			
Administrative Support Service	-	-	-
Administrative Support Service: Administration of Helping America Vote Act	-	-	-
Administrative Support Service: Distribution of Public Documents	284	129	155
Administrative Support Service: Printing of Acts/Journals	308	46	262
Administrative Support Service: Printing of Codes	400	240	160
Administrative Support Service: Secretary of State	1,633	1,213	420
Special Services: Training Elected Officials	66	-	66
TOTAL Secretary of State	**2,691**	**1,628**	**1,063**
Transportation			
Aviation Stimulus	-	-	-
General Administration	-	-	-
General Aviation and Aeronautics	-	-	-
Roads & Transit Stimulus	-	-	-
Surface Transportation Improvements	-	-	-
TOTAL Transportation	**-**	**-**	**-**
Treasurer			
Fiscal Management	-	-	-
TOTAL Treasurer	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	23,168	18,808	4,360	23,168	18,808	4,360
-	-	-	477,565	460,107	17,458	477,565	460,107	17,458
-	-	-	371,345	356,242	15,103	371,345	356,242	15,103
-	-	-	19,521	16,526	2,995	19,521	16,526	2,995
-	-	-	56,481	40,836	15,645	56,481	40,836	15,645
-	**-**	**-**	**948,080**	**892,519**	**55,561**	**948,080**	**892,519**	**55,561**
872	838	34	24,555	23,327	1,228	33,399	32,135	1,264
-	-	-	164,383	159,706	4,677	164,383	159,706	4,677
1,336	1,336	-	-	-	-	1,336	1,336	-
2,036	1,846	190	-	-	-	2,036	1,846	190
11,608	11,576	32	495,346	387,766	107,580	532,689	425,046	107,643
15,852	**15,596**	**256**	**684,284**	**570,799**	**113,485**	**733,843**	**620,069**	**113,774**
-	-	-	14,490	11,756	2,734	16,994	14,253	2,741
-	-	-	13,006	10,012	2,994	25,236	22,236	3,000
-	-	-	6,977	5,585	1,392	7,078	5,652	1,426
-	-	-	-	-	-	-	-	-
-	**-**	**-**	**34,473**	**27,353**	**7,120**	**49,308**	**42,141**	**7,167**
-	-	-	21,068	15,235	5,833	21,068	15,235	5,833
-	**-**	**-**	**21,068**	**15,235**	**5,833**	**21,068**	**15,235**	**5,833**
39,936	39,936	-	122,063	103,999	18,064	161,999	143,935	18,064
39,936	**39,936**	**-**	**122,063**	**103,999**	**18,064**	**161,999**	**143,935**	**18,064**
-	-	-	153,131	138,028	15,103	153,318	138,080	15,238
-	**-**	**-**	**153,131**	**138,028**	**15,103**	**153,318**	**138,080**	**15,238**
-	-	-	4,137	2,665	1,472	4,137	2,665	1,472
-	-	-	8,175	2,649	5,526	8,175	2,649	5,526
-	-	-	-	-	-	284	129	155
-	-	-	-	-	-	308	46	262
-	-	-	-	-	-	400	240	160
-	-	-	-	-	-	1,633	1,213	420
-	-	-	-	-	-	66	-	66
-	**-**	**-**	**12,312**	**5,314**	**6,998**	**15,003**	**6,942**	**8,061**
-	-	-	210	-	210	210	-	210
-	-	-	201,060	165,252	35,808	201,060	165,252	35,808
-	-	-	27,189	26,925	264	27,189	26,925	264
-	-	-	5,454	2,225	3,229	5,454	2,225	3,229
-	-	-	2,425,007	1,460,842	964,165	2,425,007	1,460,842	964,165
-	**-**	**-**	**2,658,920**	**1,655,244**	**1,003,676**	**2,658,920**	**1,655,244**	**1,003,676**
-	-	-	6,139	3,676	2,463	6,139	3,676	2,463
-	**-**	**-**	**6,139**	**3,676**	**2,463**	**6,139**	**3,676**	**2,463**

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	General Fund		
	Budget	**Actual**	**Variance**
Youth Services			
Community Educational Programs	-	-	-
Financial Assistance	-	-	-
Youth Services	7,290	7,260	30
TOTAL Youth Services	**7,290**	**7,260**	**30**
Universities and Training Institutes			
Alabama Agricultural and Mechanical University			
Support of State Universities: Agriculture Research Station Fixed Costs	-	-	-
Support of State Universities: Alabama A&M-Agriculture Research Extension State Match	-	-	-
Support of State Universities: Alabama A&M-Miles College	-	-	-
Support of State Universities: Alabama A&M-Operations and Maintenance	-	-	-
Support of State Universities: Carter Science Center	-	-	-
Support of State Universities: Dormitory Renovation	-	-	-
Support of State Universities: Huntsville Network Urban School Renewal	-	-	-
Support of State Universities: Urban Affairs and Non-Traditional Program	-	-	-
Total Alabama Agricultural and Mechanical University	-	-	-
Alabama Fire College and Personnel Standards Training Commission			
Firefighters-Fire College: Alabama Fire College	-	-	-
Total Alabama Fire College and Personnel Standards Training Commission	-	-	-
Alabama Institute for the Deaf and Blind			
Alabama Institute for the Deaf and Blind- Adult Programs	-	-	-
Alabama Institute for the Deaf and Blind- Children and Youth Programs	-	-	-
Alabama Institute for the Deaf and Blind- Industries for the Blind	-	-	-
Total Alabama Institute for the Deaf and Blind	-	-	-
Alabama State University			
Support of State Universities: Alabama State University-Operations and Maintenance	-	-	-
Total Alabama State University	-	-	-
Athens State University			
Support of State Universities: Athens State University	-	-	-
Total Athens State University	-	-	-
Auburn University			
Support of State Universities: Auburn University Montgomery Veterinary- Breast Cancer	-	-	-
Support of State Universities: Auburn University System-Operations and Maintenance	-	-	-
Support of State Universities: Auburn University-AUM Operations and Maintenance	-	-	-
Support of State Universities: Auburn/Agriculture Experiment Station	-	-	-
Support of State Universities: Auburn/Cooperative Extension Service	-	-	-
Support of State Universities: Aviation Center	-	-	-
Support of State Universities: Cyber Security Center	-	-	-
Total Auburn University	-	-	-
Jacksonville State University			
Support of State Universities: Jacksonville State University-Operations and Maintenance	-	-	-
Total Jacksonville State University	-	-	-
Troy State University			
Support of State Universities: Troy State University System-Operations and Maintenance	-	-	-
Total Troy State University	-	-	-
University of Alabama - Birmingham			
Support of State Universities	-	-	-
Support of State Universities: Chauncey Sparks Center/University of Alabama Birmingham	-	-	-
Support of State Universities: University of Alabama-Birmingham-Operations and Maintenance	-	-	-
Support of State Universities: University of Alabama - Birmingham Cancer Center	-	-	-
Total University of Alabama - Birmingham	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
3,566	3,566	-	-	-	-	3,566	3,566	-
6,215	6,150	65	878	351	527	7,093	6,501	592
44,564	44,176	388	38,065	33,207	4,858	89,919	84,643	5,276
54,345	**53,892**	**453**	**38,943**	**33,558**	**5,385**	**100,578**	**94,710**	**5,868**
278	278	-	-	-	-	278	278	-
1,190	1,190	-	-	-	-	1,190	1,190	-
262	262	-	-	-	-	262	262	-
31,837	31,837	-	-	-	-	31,837	31,837	-
100	100	-	-	-	-	100	100	-
400	400	-	-	-	-	400	400	-
-	-	-	-	-	-	-	-	-
3,748	3,748	-	-	-	-	3,748	3,748	-
37,815	**37,815**	**-**	**-**	**-**	**-**	**37,815**	**37,815**	**-**
3,783	3,783	-	-	-	-	3,783	3,783	-
3,783	**3,783**	**-**	**-**	**-**	**-**	**3,783**	**3,783**	**-**
11,066	11,066	-	-	-	-	11,066	11,066	-
29,978	29,978	-	-	-	-	29,978	29,978	-
8,172	8,172	-	-	-	-	8,172	8,172	-
49,216	**49,216**	**-**	**-**	**-**	**-**	**49,216**	**49,216**	**-**
41,881	41,881	-	-	-	-	41,881	41,881	-
41,881	**41,881**	**-**	**-**	**-**	**-**	**41,881**	**41,881**	**-**
11,344	11,344	-	-	-	-	11,344	11,344	-
11,344	**11,344**	**-**	**-**	**-**	**-**	**11,344**	**11,344**	**-**
1,100	1,100	-	-	-	-	1,100	1,100	-
157,436	157,436	-	-	-	-	157,436	157,436	-
22,664	22,664	-	-	-	-	22,664	22,664	-
30,634	30,634	-	-	-	-	30,634	30,634	-
32,044	32,044	-	-	-	-	32,044	32,044	-
350	350	-	-	-	-	350	350	-
1,000	1,000	-	-	-	-	1,000	1,000	-
245,228	**245,228**	**-**	**-**	**-**	**-**	**245,228**	**245,228**	**-**
36,204	36,204	-	-	-	-	36,204	36,204	-
36,204	**36,204**	**-**	**-**	**-**	**-**	**36,204**	**36,204**	**-**
45,868	45,868	-	-	-	-	45,868	45,868	-
45,868	**45,868**	**-**	**-**	**-**	**-**	**45,868**	**45,868**	**-**
-	-	-	54	54	-	54	54	-
3,237	3,237	-	-	-	-	3,237	3,237	-
256,417	256,417	-	-	-	-	256,417	256,417	-
5,053	5,053	-	-	-	-	5,053	5,053	-
264,707	**264,707**	**-**	**54**	**54**	**-**	**264,761**	**264,761**	**-**

Continued on next page...

	General Fund		
	Budget	**Actual**	**Variance**
University of Alabama - Huntsville			
Support of State Universities: University of Alabama Huntsville-Operations and Maintenance	-	-	-
Total University of Alabama - Huntsville	**-**	**-**	**-**
University of Alabama - Tuscaloosa			
Support of State Universities: University of Alabama-Tuscaloosa-Operations and Maintenance	-	-	-
Total University of Alabama - Tuscaloosa	**-**	**-**	**-**
University of Montevallo			
Support of State Universities: American Village	-	-	-
Support of State Universities: University of Montevallo-Operations and Maintenance	-	-	-
Total University of Montevallo	**-**	**-**	**-**
University of North Alabama			
Support of State Universities: University of North Alabama-Operations and Maintenance	-	-	-
Total University of North Alabama	**-**	**-**	**-**
University of South Alabama			
Support of State Universities: University of South Alabama/ Cancer Center	-	-	-
Support of State Universities: University of South Alabama-Operations and Maintenance	-	-	-
Total University of South Alabama	**-**	**-**	**-**
University of West Alabama			
Support of State Universities: University of West Alabama-Operations and Maintenance	-	-	-
Total University of West Alabama	**-**	**-**	**-**
TOTAL Universities and Training Institutes	**-**	**-**	**-**
Other			
Accountancy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Accountancy Board	**-**	**-**	**-**
Agricultural Museum Board			
Agricultural Promotional Program	66	20	46
Total Agricultural Museum Board	**66**	**20**	**46**
Alabama Athletic Commission			
Licensing, Regulation and Enforcement	-	-	-
Total Alabama Athletic Commission	**-**	**-**	**-**
Alabama Board of Court Reporting			
Professional and Occupational Licensure and Regulation	-	-	-
Total Alabama Board of Court Reporting	**-**	**-**	**-**
Alabama Construction Recruitment			
Recruitment/Training Promotion	-	-	-
Total Alabama Construction Recruitment	**-**	**-**	**-**
Alabama Innovation Fund			
Alabama Innovation Fund	-	-	-
Total Alabama Innovation Fund	**-**	**-**	**-**
Alabama Law Institute			
Support - Other Educational Activities	300	299	1
Total Alabama Law Institute	**300**	**299**	**1**
Alabama Onsite Wastewater Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Alabama Onsite Wastewater Board	**-**	**-**	**-**
Alabama Public Historical Sites Improvement Corporation			
Debt Service	-	-	-
Total Alabama Public Historical Sites Improvement Corporation	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
43,997	43,997	-	-	-	-	43,997	43,997	-
43,997	**43,997**	**-**	**-**	**-**	**-**	**43,997**	**43,997**	**-**
146,223	146,223	-	-	-	-	146,223	146,223	-
146,223	**146,223**	**-**	**-**	**-**	**-**	**146,223**	**146,223**	**-**
25	25	-	-	-	-	25	25	-
18,176	18,176	-	-	-	-	18,176	18,176	-
18,201	**18,201**	**-**	**-**	**-**	**-**	**18,201**	**18,201**	**-**
26,351	26,351	-	-	-	-	26,351	26,351	-
26,351	**26,351**	**-**	**-**	**-**	**-**	**26,351**	**26,351**	**-**
3,000	3,000	-	-	-	-	3,000	3,000	-
100,424	100,424	-	-	-	-	100,424	100,424	-
103,424	**103,424**	**-**	**-**	**-**	**-**	**103,424**	**103,424**	**-**
13,894	13,894	-	-	-	-	13,894	13,894	-
13,894	**13,894**	**-**	**-**	**-**	**-**	**13,894**	**13,894**	**-**
1,088,136	**1,088,136**	**-**	**54**	**54**	**-**	**1,088,190**	**1,088,190**	**-**
-	-	-	1,478	1,115	363	1,478	1,115	363
-	**-**	**-**	**1,478**	**1,115**	**363**	**1,478**	**1,115**	**363**
-	-	-	-	-	-	66	20	46
-	**-**	**-**	**-**	**-**	**-**	**66**	**20**	**46**
-	-	-	206	86	120	206	86	120
-	**-**	**-**	**206**	**86**	**120**	**206**	**86**	**120**
-	-	-	200	76	124	200	76	124
-	**-**	**-**	**200**	**76**	**124**	**200**	**76**	**124**
-	-	-	1,750	1,330	420	1,750	1,330	420
-	**-**	**-**	**1,750**	**1,330**	**420**	**1,750**	**1,330**	**420**
6,000	6,000	-	-	-	-	6,000	6,000	-
6,000	**6,000**	**-**	**-**	**-**	**-**	**6,000**	**6,000**	**-**
587	587	-	174	36	138	1,061	922	139
587	**587**	**-**	**174**	**36**	**138**	**1,061**	**922**	**139**
-	-	-	485	312	173	485	312	173
-	**-**	**-**	**485**	**312**	**173**	**485**	**312**	**173**
-	-	-	269	269	-	269	269	-
-	**-**	**-**	**269**	**269**	**-**	**269**	**269**	**-**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2015

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Alabama Security Regulatory Board			
Licensing, Regulation and Enforcement	-	-	-
Total Alabama Security Regulatory Board	**-**	**-**	**-**
Alabama Trust Fund			
Alabama Natural Heritage	-	-	-
Fiscal Management	82	9	73
Total Alabama Trust Fund	**82**	**9**	**73**
Alcoholic Beverage Control Board			
Administrative Services	-	-	-
Alcoholic Beverage Management	-	-	-
Licensing, Regulation and Enforcement	-	-	-
Total Alcoholic Beverage Control Board	**-**	**-**	**-**
Architects Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Architects Registration Board	**-**	**-**	**-**
Archives and History			
Historical Resources Management	2,164	2,155	9
Total Archives and History	**2,164**	**2,155**	**9**
Assisted Living Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Assisted Living Examiners Board	**-**	**-**	**-**
Athlete Agent Regulatory Commission			
Professional and Occupational Licensure and Regulation	-	-	-
Total Athlete Agent Regulatory Commission	**-**	**-**	**-**
Athletic Trainers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Athletic Trainers Board	**-**	**-**	**-**
Auctioneers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Auctioneers Board	**-**	**-**	**-**
Banking			
Charter Licensure and Regulation Financial	-	-	-
Total Banking	**-**	**-**	**-**
Board of Adjustment			
Special Services: Damage Claims-Board of Adjustment	23	6	17
Special Services: Death Claims-Board of Adjustment	1,232	1,232	-
Total Board of Adjustment	**1,255**	**1,238**	**17**
Board of Cosmetology and Barbering			
Professional and Occupational Licensure and Regulation	-	-	-
Total Board of Cosmetology and Barbering	**-**	**-**	**-**
Board of Prosthetists and Orthotists			
Professional and Occupational Licensure and Regulation	-	-	-
Total Board of Prosthetists and Orthotists	**-**	**-**	**-**
Board of Respiratory Therapy			
Professional and Occupational Licensure and Regulation	-	-	-
Total Board of Respiratory Therapy	**-**	**-**	**-**
Building Commission			
Professional and Occupational Licensure and Regulation	-	-	-
Special Services	104	99	5
Total Building Commission	**104**	**99**	**5**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	205	193	12	205	193	12
-	**-**	**-**	**205**	**193**	**12**	**205**	**193**	**12**
-	-	-	1,050	624	426	1,050	624	426
-	-	-	-	-	-	82	9	73
-	**-**	**-**	**1,050**	**624**	**426**	**1,132**	**633**	**499**
-	-	-	11,564	9,029	2,535	11,564	9,029	2,535
-	-	-	57,558	53,533	4,025	57,558	53,533	4,025
-	-	-	9,986	7,276	2,710	9,986	7,276	2,710
-	**-**	**-**	**79,108**	**69,838**	**9,270**	**79,108**	**69,838**	**9,270**
-	-	-	528	498	30	528	498	30
-	**-**	**-**	**528**	**498**	**30**	**528**	**498**	**30**
4,039	4,018	21	215	180	35	6,418	6,353	65
4,039	**4,018**	**21**	**215**	**180**	**35**	**6,418**	**6,353**	**65**
-	-	-	106	67	39	106	67	39
-	**-**	**-**	**106**	**67**	**39**	**106**	**67**	**39**
-	-	-	52	14	38	52	14	38
-	**-**	**-**	**52**	**14**	**38**	**52**	**14**	**38**
-	-	-	64	54	10	64	54	10
-	**-**	**-**	**64**	**54**	**10**	**64**	**54**	**10**
-	-	-	165	149	16	165	149	16
-	**-**	**-**	**165**	**149**	**16**	**165**	**149**	**16**
-	-	-	17,525	16,440	1,085	17,525	16,440	1,085
-	**-**	**-**	**17,525**	**16,440**	**1,085**	**17,525**	**16,440**	**1,085**
-	-	-	-	-	-	23	6	17
-	-	-	-	-	-	1,232	1,232	-
-	**-**	**-**	**-**	**-**	**-**	**1,255**	**1,238**	**17**
-	-	-	3,433	2,240	1,193	3,433	2,240	1,193
-	**-**	**-**	**3,433**	**2,240**	**1,193**	**3,433**	**2,240**	**1,193**
-	-	-	169	136	33	169	136	33
-	**-**	**-**	**169**	**136**	**33**	**169**	**136**	**33**
-	-	-	350	148	202	350	148	202
-	**-**	**-**	**350**	**148**	**202**	**350**	**148**	**202**
-	-	-	137	87	50	137	87	50
-	-	-	1,552	1,505	47	1,656	1,604	52
-	**-**	**-**	**1,689**	**1,592**	**97**	**1,793**	**1,691**	**102**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2015

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Child Abuse & Neglect Prevention			
Social Services	-	-	-
Total Child Abuse & Neglect Prevention	**-**	**-**	**-**
Children Services Facilitation			
Human Services	-	-	-
Total Children Services Facilitation	**-**	**-**	**-**
Chiropractic Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Chiropractic Examiners Board	**-**	**-**	**-**
Choctawhatchee, Pea and Yellow Rivers Watershed Management Authority			
Water Resource Development	212	167	45
Total Choctawhatchee, Pea and Yellow Rivers Watershed Management Authority	**212**	**167**	**45**
Conservation and Natural Resources			
Administrative Services	-	-	-
Game and Fish	-	-	-
Marine Police	-	-	-
Marine Resources	-	-	-
Outdoor Recreation Sites and Services	-	-	-
State Land Management	-	-	-
Total Conservation and Natural Resources	**-**	**-**	**-**
Council on the Arts			
Fine Arts	-	-	-
Total Council on the Arts	**-**	**-**	**-**
Counseling Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Counseling Examiners Board	**-**	**-**	**-**
Court of Civil Appeals			
Court Operations	3,909	3,631	278
Total Court of Civil Appeals	**3,909**	**3,631**	**278**
Court of Criminal Appeals			
Court Operations	4,343	4,006	337
Total Court of Criminal Appeals	**4,343**	**4,006**	**337**
Credit Union Administration			
Charter Licensure and Regulation Financial	-	-	-
Total Credit Union Administration	**-**	**-**	**-**
Crime Victims Compensation Commission			
Special Services	-	-	-
Total Crime Victims Compensation Commission	**-**	**-**	**-**
Criminal Justice Information Center			
Criminal Justice Infomation Services	227	227	-
Total Criminal Justice Information Center	**227**	**227**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	6,475	6,252	223	6,475	6,252	223
-	**-**	**-**	**6,475**	**6,252**	**223**	**6,475**	**6,252**	**223**
-	-	-	4,873	3,479	1,394	4,873	3,479	1,394
-	**-**	**-**	**4,873**	**3,479**	**1,394**	**4,873**	**3,479**	**1,394**
-	-	-	504	306	198	504	306	198
-	**-**	**-**	**504**	**306**	**198**	**504**	**306**	**198**
-	-	-	15	15	-	227	182	45
-	**-**	**-**	**15**	**15**	**-**	**227**	**182**	**45**
-	-	-	11,308	8,850	2,458	11,308	8,850	2,458
-	-	-	40,059	35,169	4,890	40,059	35,169	4,890
-	-	-	8,689	8,688	1	8,689	8,688	1
-	-	-	16,917	12,142	4,775	16,917	12,142	4,775
-	-	-	8,366	7,601	765	8,366	7,601	765
-	-	-	118,859	99,209	19,650	118,859	99,209	19,650
-	**-**	**-**	**204,198**	**171,659**	**32,539**	**204,198**	**171,659**	**32,539**
3,984	3,912	72	742	728	14	4,726	4,640	86
3,984	**3,912**	**72**	**742**	**728**	**14**	**4,726**	**4,640**	**86**
-	-	-	429	254	175	429	254	175
-	**-**	**-**	**429**	**254**	**175**	**429**	**254**	**175**
-	-	-	-	-	-	3,909	3,631	278
-	**-**	**-**	**-**	**-**	**-**	**3,909**	**3,631**	**278**
-	-	-	-	-	-	4,343	4,006	337
-	**-**	**-**	**-**	**-**	**-**	**4,343**	**4,006**	**337**
-	-	-	1,770	1,553	217	1,770	1,553	217
-	**-**	**-**	**1,770**	**1,553**	**217**	**1,770**	**1,553**	**217**
-	-	-	4,152	2,312	1,840	4,152	2,312	1,840
-	**-**	**-**	**4,152**	**2,312**	**1,840**	**4,152**	**2,312**	**1,840**
-	-	-	5,819	3,460	2,359	6,046	3,687	2,359
-	**-**	**-**	**5,819**	**3,460**	**2,359**	**6,046**	**3,687**	**2,359**

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DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2015

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Debt Service and Reserve			
Debt Service	-	-	-
Debt Service: 2005-A General Obligation Bonds	-	-	-
Debt Service: Alabama Building Renovation Fin Authority	4,580	4,580	-
Debt Service: General Obligation 2006 Debt Service	-	-	-
Debt Service: General Obligation 2007-A Debt Service	5,080	5,080	-
Debt Service: General Obligation 2010-A Refunding Agriculture Development	-	-	-
Debt Service: General Obligation 2010-B Refunding Forensic Science	-	-	-
Debt Service: General Obligation 2010-C Refunding Parks Systems Board	7,935	7,935	-
Debt Service: General Obligation 2010-D Bonds	2,551	2,551	-
Debt Service: General Obligation 2013-A Refunding Bonds	-	-	-
Debt Service: General Obligation 2013-B Capital Improvement Bonds	-	-	-
Debt Service: General Obligation 2013-C Refunding Bonds	269	269	-
Debt Service: General Obligation 2014-A Refunding Bonds	7,074	7,072	2
Total Debt Service and Reserve	**27,489**	**27,487**	**2**
Department of Commerce			
Industrial Development: Alabama Department of Commerce	5,106	4,238	868
Industrial Training: Ala Industrial Development Training/Workforce Development	-	-	-
Industrial Training: Alabama Industrial Development Training/Training Program	-	-	-
Industrial Training: Marketing Campaign Tech Ed	-	-	-
Total Department of Commerce	**5,106**	**4,238**	**868**
Dieteticians and Nutritionists Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Dieteticians and Nutritionists Examining Board	-	-	-
District Attorneys			
Court Operations	28,436	27,258	1,178
Total District Attorneys	**28,436**	**27,258**	**1,178**
Early Childhood Education			
Children's Policy Council	-	-	-
Social Services	-	-	-
Total Early Childhood Education	-	-	-
Educational Television Commission			
Educational Television	-	-	-
Total Educational Television Commission	-	-	-
Electrical Contractors Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Electrical Contractors Board	-	-	-
Electronic Security Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Electronic Security Board	-	-	-
Environmental Management			
Environmental Management	-	-	-
Total Environmental Management	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**
-	-	-	66,781	66,781	-	66,781	66,781	-
3,713	3,713	-	1,141	1,141	-	4,854	4,854	-
-	-	-	-	-	-	4,580	4,580	-
-	-	-	3,032	3,032	-	3,032	3,032	-
1,368	1,368	-	9,691	9,691	-	16,139	16,139	-
4,953	4,953	-	-	-	-	4,953	4,953	-
1,527	1,527	-	-	-	-	1,527	1,527	-
-	-	-	-	-	-	7,935	7,935	-
6,454	6,454	-	-	-	-	9,005	9,005	-
2,701	2,701	-	5,358	5,358	-	8,059	8,059	-
-	-	-	2,536	2,536	-	2,536	2,536	-
-	-	-	-	-	-	269	269	-
-	-	-	1,668	1,668	-	8,742	8,740	2
20,716	**20,716**	**-**	**90,207**	**90,207**	**-**	**138,412**	**138,410**	**2**
-	-	-	1,636	1,261	375	6,742	5,499	1,243
41,871	41,871	-	-	-	-	41,871	41,871	-
11,153	11,153	-	-	-	-	11,153	11,153	-
500	500	-	-	-	-	500	500	-
53,524	**53,524**	**-**	**1,636**	**1,261**	**375**	**60,266**	**59,023**	**1,243**
-	-	-	150	116	34	150	116	34
-	**-**	**-**	**150**	**116**	**34**	**150**	**116**	**34**
-	-	-	-	-	-	28,436	27,258	1,178
-	**-**	**-**	**-**	**-**	**-**	**28,436**	**27,258**	**1,178**
-	-	-	255	87	168	255	87	168
40,209	40,179	30	31,670	13,958	17,712	71,879	54,137	17,742
40,209	**40,179**	**30**	**31,925**	**14,045**	**17,880**	**72,134**	**54,224**	**17,910**
5,850	5,732	118	622	326	296	6,472	6,058	414
5,850	**5,732**	**118**	**622**	**326**	**296**	**6,472**	**6,058**	**414**
-	-	-	925	682	243	925	682	243
-	**-**	**-**	**925**	**682**	**243**	**925**	**682**	**243**
-	-	-	384	310	74	384	310	74
-	**-**	**-**	**384**	**310**	**74**	**384**	**310**	**74**
-	-	-	67,730	59,001	8,729	67,730	59,001	8,729
-	**-**	**-**	**67,730**	**59,001**	**8,729**	**67,730**	**59,001**	**8,729**

Continued on next page...

	General Fund		
	Budget	**Actual**	**Variance**
ETF Direct Disbursements			
Debt Service: Auburn University Endowment	-	-	-
Debt Service: Grove Hill Endowment	-	-	-
Debt Service: University of Alabama Endowment	-	-	-
Employee Benefits: Teachers Retirement System Unused Sick Leave Death Benefits	-	-	-
Financial Assistance: Alabama School of Fine Arts	-	-	-
Financial Assistance: American Legion Scholarships	-	-	-
Special Services: Space Science Exhibit Commission	-	-	-
Support - Other Educational Activities: Dental Scholarships	-	-	-
Support - Other Educational Activities: Marine Environmental	-	-	-
Support - Other Educational Activities: Optometric Scholarships	-	-	-
Total ETF Direct Disbursements	-	-	-
ETF Non-State			
Support - Other Educational Activities: Lyman Ward Military Academy	-	-	-
Support - Other Educational Activities: Talladega College	-	-	-
Support - Other Educational Activities: Tuskegee University	-	-	-
Total ETF Non-State	-	-	-
Ethics Commission			
Regulation of Public Officials and Employees	2,681	1,765	916
Total Ethics Commission	**2,681**	**1,765**	**916**
Finance Special Appropriations			
Administration Service and Logistical Support: Removal of Prisoners	840	838	2
Criminal Investigation: Arrest of Absconding Felons	26	5	21
Executive Direction: Governors' Widow Retirement	6	-	6
Fiscal Management: Cash Management Improvement Act	100	8	92
Fiscal Management: Employee Suggestion Awards Program	25	7	18
Institutional Service Corrections: Feeding of Prisoners	9,500	8,449	1,051
Legal Advice and Legal Service: Automatic Appeal Expense	17	-	17
Legal Advice and Legal Service: Court Assessed Cost Not Provided	253	234	19
Legal Advice and Legal Service: Law Enforcement Legal Defense	1	-	1
Special Services: Court Assessed Cost Not Provided	5,500	5,282	218
Special Services: Election Expenses	7,000	4,921	2,079
Special Services: Emergency Fund, Departmental	11,252	262	10,990
Special Services: Registration of Voters	4,533	3,440	1,093
Total Finance Special Appropriations	**39,053**	**23,446**	**15,607**
Finance Special Funds			
Appropriation Transfers	-	-	-
Non-State	-	-	-
Special Services	-	-	-
Total Finance Special Funds	-	-	-
Forensic Sciences			
Forensic Science Services	10,127	9,948	179
Total Forensic Sciences	**10,127**	**9,948**	**179**
Foresters Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Foresters Registration Board	-	-	-
Forestry Commission			
Forest Resources Protection and Development	-	-	-
Total Forestry Commission	-	-	-
Forever Wild Land Trust			
Administrative Services	-	-	-
Total Forever Wild Land Trust	-	-	-

Education Trust Fund			Earmarked Funds			Total		
Budget	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**
20	20	-	-	-	-	20	20	-
1	1	-	-	-	-	1	1	-
61	61	-	-	-	-	61	61	-
1,540	1,143	397	-	-	-	1,540	1,143	397
6,767	6,767	-	-	-	-	6,767	6,767	-
113	101	12	-	-	-	113	101	12
582	582	-	-	-	-	582	582	-
191	191	-	-	-	-	191	191	-
4,005	4,005	-	-	-	-	4,005	4,005	-
107	107	-	-	-	-	107	107	-
13,387	**12,978**	**409**	**-**	**-**	**-**	**13,387**	**12,978**	**409**
273	273	-	-	-	-	273	273	-
633	633	-	-	-	-	633	633	-
9,269	9,269	-	-	-	-	9,269	9,269	-
10,175	**10,175**	**-**	**-**	**-**	**-**	**10,175**	**10,175**	**-**
-	-	-	-	-	-	2,681	1,765	916
-	**-**	**-**	**-**	**-**	**-**	**2,681**	**1,765**	**916**
-	-	-	-	-	-	840	838	2
-	-	-	-	-	-	26	5	21
-	-	-	-	-	-	6	-	6
-	-	-	-	-	-	100	8	92
-	-	-	-	-	-	25	7	18
-	-	-	-	-	-	9,500	8,449	1,051
-	-	-	-	-	-	17	-	17
-	-	-	-	-	-	253	234	19
-	-	-	-	-	-	1	-	1
-	-	-	-	-	-	5,500	5,282	218
-	-	-	-	-	-	7,000	4,921	2,079
-	-	-	-	-	-	11,252	262	10,990
-	-	-	-	-	-	4,533	3,440	1,093
-	**-**	**-**	**-**	**-**	**-**	**39,053**	**23,446**	**15,607**
-	-	-	198,545	198,545	-	198,545	198,545	-
-	-	-	50,530	50,530	-	50,530	50,530	-
-	-	-	307	234	73	307	234	73
-	**-**	**-**	**249,382**	**249,309**	**73**	**249,382**	**249,309**	**73**
-	-	-	20,465	13,894	6,571	30,592	23,842	6,750
-	**-**	**-**	**20,465**	**13,894**	**6,571**	**30,592**	**23,842**	**6,750**
-	-	-	200	109	91	200	109	91
-	**-**	**-**	**200**	**109**	**91**	**200**	**109**	**91**
-	-	-	27,203	24,802	2,401	27,203	24,802	2,401
-	**-**	**-**	**27,203**	**24,802**	**2,401**	**27,203**	**24,802**	**2,401**
-	-	-	6,292	1,701	4,591	6,292	1,701	4,591
-	**-**	**-**	**6,292**	**1,701**	**4,591**	**6,292**	**1,701**	**4,591**

Continued on next page...

	General Fund		
	Budget	**Actual**	**Variance**
Fringe Benefit Accounts			
Fringe Benefits: Judicial Retirement - General Fund Share	2,264	2,264	-
Total Fringe Benefit Accounts	**2,264**	**2,264**	**-**
Funeral Services Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Funeral Services Board	**-**	**-**	**-**
General Contractors Licensing Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total General Contractors Licensing Board	**-**	**-**	**-**
General Fund Direct Disbursements			
Water Resource Development: Tennessee-Tombigbee Waterway	100	100	-
Total General Fund Direct Disbursements	**100**	**100**	**-**
General Fund Non-State			
Non-State: Coalition Against Domestic Violence	197	197	-
Total General Fund Non-State	**197**	**197**	**-**
Geological Survey			
Mineral, Energy, and Water Resources	3,868	3,005	863
Total Geological Survey	**3,868**	**3,005**	**863**
Governor's Mansion Authority			
Historical Resources Management	-	-	-
Total Governor's Mansion Authority	**-**	**-**	**-**
Governor's Office on Disability			
Executive Direction	225	86	139
Total Governor's Office on Disability	**225**	**86**	**139**
Health Planning and Development			
Health Planning Development and Regulation	83	83	-
Total Health Planning and Development	**83**	**83**	**-**
Hearing Instrument Dealers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Hearing Instrument Dealers Board	**-**	**-**	**-**
Heating, Air Conditioning, and Refrigeration Contractors Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Heating, Air Conditioning, and Refrigeration Contractors Board	**-**	**-**	**-**
High School of Math and Science			
Financial Assistance	-	-	-
Total High School of Math and Science	**-**	**-**	**-**
Historical Commission			
Historical Resources Management: Alabama Historical Commission	-	-	-
Historical Resources Management: Capitol Preservation	-	-	-
Historical Resources Management: Confederate Park-Soldier Fund	-	-	-
Total Historical Commission	**-**	**-**	**-**
Home Builders Licensure Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Home Builders Licensure Board	**-**	**-**	**-**
Home Medical Equipment Services Provider Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Home Medical Equipment Services Provider Board	**-**	**-**	**-**
Indian Affairs Commission			
Social Services	100	89	11
Total Indian Affairs Commission	**100**	**89**	**11**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	2,264	2,264	-
-	**-**	**-**	**-**	**-**	**-**	**2,264**	**2,264**	**-**
-	-	-	472	321	151	472	321	151
-	**-**	**-**	**472**	**321**	**151**	**472**	**321**	**151**
-	-	-	2,288	1,402	886	2,288	1,402	886
-	**-**	**-**	**2,288**	**1,402**	**886**	**2,288**	**1,402**	**886**
-	-	-	-	-	-	100	100	-
-	**-**	**-**	**-**	**-**	**-**	**100**	**100**	**-**
-	-	-	-	-	-	197	197	-
-	**-**	**-**	**-**	**-**	**-**	**197**	**197**	**-**
500	499	1	4,308	476	3,832	8,676	3,980	4,696
500	**499**	**1**	**4,308**	**476**	**3,832**	**8,676**	**3,980**	**4,696**
-	-	-	1,068	646	422	1,068	646	422
-	**-**	**-**	**1,068**	**646**	**422**	**1,068**	**646**	**422**
-	-	-	15	15	-	240	101	139
-	**-**	**-**	**15**	**15**	**-**	**240**	**101**	**139**
-	-	-	1,420	725	695	1,503	808	695
-	**-**	**-**	**1,420**	**725**	**695**	**1,503**	**808**	**695**
-	-	-	54	35	19	54	35	19
-	**-**	**-**	**54**	**35**	**19**	**54**	**35**	**19**
-	-	-	1,500	1,074	426	1,500	1,074	426
-	**-**	**-**	**1,500**	**1,074**	**426**	**1,500**	**1,074**	**426**
6,152	6,144	8	460	5	455	6,612	6,149	463
6,152	**6,144**	**8**	**460**	**5**	**455**	**6,612**	**6,149**	**463**
-	-	-	5,726	5,190	536	5,726	5,190	536
-	-	-	224	211	13	224	211	13
-	-	-	575	428	147	575	428	147
-	**-**	**-**	**6,525**	**5,829**	**696**	**6,525**	**5,829**	**696**
-	-	-	4,108	1,977	2,131	4,108	1,977	2,131
-	**-**	**-**	**4,108**	**1,977**	**2,131**	**4,108**	**1,977**	**2,131**
-	-	-	450	184	266	450	184	266
-	**-**	**-**	**450**	**184**	**266**	**450**	**184**	**266**
-	-	-	447	347	100	547	436	111
-	**-**	**-**	**447**	**347**	**100**	**547**	**436**	**111**

Continued on next page...

	General Fund		
	Budget	**Actual**	**Variance**
Insurance			
Regulatory Services	-	-	-
Total Insurance	**-**	**-**	**-**
Interior Design Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Interior Design Registration Board	**-**	**-**	**-**
Interpreters and Transliterators			
Professional and Occupational Licensure and Regulation	-	-	-
Total Interpreters and Transliterators	**-**	**-**	**-**
Judicial Inquiry Commission			
Administrative Services	526	439	87
Total Judicial Inquiry Commission	**526**	**439**	**87**
Landscape Architect Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Landscape Architect Examining Board	**-**	**-**	**-**
Legislative Building Authority			
Legislative Operations and Support	127	127	-
Total Legislative Building Authority	**127**	**127**	**-**
Legislative Council			
Legislative Operations and Support	456	266	190
Total Legislative Council	**456**	**266**	**190**
Legislative Fiscal Office			
Legislative Operations and Support	3,010	1,258	1,752
Total Legislative Fiscal Office	**3,010**	**1,258**	**1,752**
Legislative Reference Service			
Legislative Operations and Support	-	-	-
Legislative Operations and Support: Legislative Reference Service	1,977	1,964	13
Total Legislative Reference Service	**1,977**	**1,964**	**13**
Lieutenant Governor			
Legislative Operations and Support	1,235	649	586
Total Lieutenant Governor	**1,235**	**649**	**586**
Liquefied Petroleum Gas Board			
Regulatory Services	-	-	-
Total Liquefied Petroleum Gas Board	**-**	**-**	**-**
Manufactured Housing Commission			
Regulatory Services	-	-	-
Total Manufactured Housing Commission	**-**	**-**	**-**
Marriage and Family Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Marriage and Family Therapy Board	**-**	**-**	**-**
Massage Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Massage Therapy Board	**-**	**-**	**-**
Medical Scholarships Awards Board			
Support - Other Educational Activities	-	-	-
Total Medical Scholarships Awards Board	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	11,601	9,369	2,232	11,601	9,369	2,232
-	**-**	**-**	**11,601**	**9,369**	**2,232**	**11,601**	**9,369**	**2,232**
-	-	-	50	45	5	50	45	5
-	**-**	**-**	**50**	**45**	**5**	**50**	**45**	**5**
-	-	-	50	35	15	50	35	15
-	**-**	**-**	**50**	**35**	**15**	**50**	**35**	**15**
-	-	-	-	-	-	526	439	87
-	**-**	**-**	**-**	**-**	**-**	**526**	**439**	**87**
-	-	-	62	38	24	62	38	24
-	**-**	**-**	**62**	**38**	**24**	**62**	**38**	**24**
-	-	-	845	845	-	972	972	-
-	**-**	**-**	**845**	**845**	**-**	**972**	**972**	**-**
-	-	-	-	-	-	456	266	190
-	**-**	**-**	**-**	**-**	**-**	**456**	**266**	**190**
457	457	-	-	-	-	3,467	1,715	1,752
457	**457**	**-**	**-**	**-**	**-**	**3,467**	**1,715**	**1,752**
288	288	-	200	200	-	488	488	-
-	-	-	-	-	-	1,977	1,964	13
288	**288**	**-**	**200**	**200**	**-**	**2,465**	**2,452**	**13**
-	-	-	-	-	-	1,235	649	586
-	**-**	**-**	**-**	**-**	**-**	**1,235**	**649**	**586**
-	-	-	1,983	1,105	878	1,983	1,105	878
-	**-**	**-**	**1,983**	**1,105**	**878**	**1,983**	**1,105**	**878**
-	-	-	2,737	1,891	846	2,737	1,891	846
-	**-**	**-**	**2,737**	**1,891**	**846**	**2,737**	**1,891**	**846**
-	-	-	100	71	29	100	71	29
-	**-**	**-**	**100**	**71**	**29**	**100**	**71**	**29**
-	-	-	150	115	35	150	115	35
-	**-**	**-**	**150**	**115**	**35**	**150**	**115**	**35**
740	739	1	400	-	400	1,140	739	401
740	**739**	**1**	**400**	**-**	**400**	**1,140**	**739**	**401**

Continued on next page...

	General Fund		
	Budget	**Actual**	**Variance**
Military			
Military Operations: Active Military Service	1,218	518	700
Military Operations: ANG Operations and Maintenance	944	797	147
Military Operations: Counter Drug	-	-	-
Military Operations: Military Billeting	-	-	-
Military Operations: Operations	1,937	758	1,179
Military Operations: Operations and Maintenance	6,581	3,324	3,257
Military Operations: Quartering Allowance to Headquarters	1,279	1,167	112
Military Operations: State Defense Force	-	-	-
Total Military	**11,959**	**6,564**	**5,395**
Music Hall of Fame			
Fine Arts	-	-	-
Total Music Hall of Fame	**-**	**-**	**-**
Nursing Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Nursing Board	**-**	**-**	**-**
Nursing Home Administration Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Nursing Home Administration Examining Board	**-**	**-**	**-**
Occupational Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Occupational Therapy Board	**-**	**-**	**-**
Office of Information Technology			
Administrative Support Service	-	-	-
Total Office of Information Technology	**-**	**-**	**-**
Office of Prosecution Services			
Court Operations	-	-	-
Prosecution Training Education and Management	885	885	-
Total Office of Prosecution Services	**885**	**885**	**-**
Oil and Gas Board			
Management and Regulation of Oil and Gas Exploration/Development	3,130	2,519	611
Total Oil and Gas Board	**3,130**	**2,519**	**611**
Pardons and Paroles			
Administration of Pardons and Paroles	27,665	27,192	473
Total Pardons and Paroles	**27,665**	**27,192**	**473**
Peace Officer Annuity and Benefit			
Retirement Systems	-	-	-
Total Peace Officer Annuity and Benefit	**-**	**-**	**-**
Peace Officer Standards and Training			
Certified Law Enforcement Academy Program	-	-	-
Professional and Occupational Licensure and Regulation	-	-	-
Total Peace Officer Standards and Training	**-**	**-**	**-**
Personnel			
Administrative Support Service	-	-	-
Total Personnel	**-**	**-**	**-**
Physical Fitness Commission			
Advisory Services	-	-	-
Total Physical Fitness Commission	**-**	**-**	**-**
Physical Therapy Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Physical Therapy Board	**-**	**-**	**-**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	1,218	518	700
-	-	-	6,754	5,648	1,106	7,698	6,445	1,253
-	-	-	13	6	7	13	6	7
-	-	-	630	568	62	630	568	62
-	-	-	-	-	-	1,937	758	1,179
-	-	-	50,984	48,930	2,054	57,565	52,254	5,311
-	-	-	-	-	-	1,279	1,167	112
-	-	-	-	-	-	-	-	-
-	**-**	**-**	**58,381**	**55,152**	**3,229**	**70,340**	**61,716**	**8,624**
-	-	-	350	292	58	350	292	58
-	**-**	**-**	**350**	**292**	**58**	**350**	**292**	**58**
166	166	-	6,245	5,337	908	6,411	5,503	908
166	**166**	**-**	**6,245**	**5,337**	**908**	**6,411**	**5,503**	**908**
-	-	-	115	72	43	115	72	43
-	**-**	**-**	**115**	**72**	**43**	**115**	**72**	**43**
-	-	-	155	130	25	155	130	25
-	**-**	**-**	**155**	**130**	**25**	**155**	**130**	**25**
-	-	-	1,018	829	189	1,018	829	189
-	**-**	**-**	**1,018**	**829**	**189**	**1,018**	**829**	**189**
-	-	-	2,000	2,000	-	2,000	2,000	-
-	-	-	7,367	3,263	4,104	8,252	4,148	4,104
-	**-**	**-**	**9,367**	**5,263**	**4,104**	**10,252**	**6,148**	**4,104**
-	-	-	898	165	733	4,028	2,684	1,344
-	**-**	**-**	**898**	**165**	**733**	**4,028**	**2,684**	**1,344**
-	-	-	14,364	13,245	1,119	42,029	40,437	1,592
-	**-**	**-**	**14,364**	**13,245**	**1,119**	**42,029**	**40,437**	**1,592**
-	-	-	600	415	185	600	415	185
-	**-**	**-**	**600**	**415**	**185**	**600**	**415**	**185**
348	348	-	500	375	125	848	723	125
249	219	30	4,969	1,728	3,241	5,218	1,947	3,271
597	**567**	**30**	**5,469**	**2,103**	**3,366**	**6,066**	**2,670**	**3,396**
-	-	-	10,638	8,208	2,430	10,638	8,208	2,430
-	**-**	**-**	**10,638**	**8,208**	**2,430**	**10,638**	**8,208**	**2,430**
1,123	1,110	13	19	-	19	1,142	1,110	32
1,123	**1,110**	**13**	**19**	**-**	**19**	**1,142**	**1,110**	**32**
-	-	-	494	374	120	494	374	120
-	**-**	**-**	**494**	**374**	**120**	**494**	**374**	**120**

Continued on next page...

	General Fund		
	Budget	**Actual**	**Variance**
Plumbers and Gas Fitters Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Plumbers and Gas Fitters Examining Board	**-**	**-**	**-**
Polygraph Examiners			
Professional and Occupational Licensure and Regulation	-	-	-
Total Polygraph Examiners	**-**	**-**	**-**
President Pro Tempore Senate			
Legislative Operations and Support	1,304	608	696
Total President Pro Tempore Senate	**1,304**	**608**	**696**
Private Investigation Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Private Investigation Board	**-**	**-**	**-**
Proessional Engineers Registration Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Proessional Engineers Registration Board	**-**	**-**	**-**
Professional Geologists Licensing Board			
Mineral, Energy, and Water Resources	-	-	-
Total Professional Geologists Licensing Board	**-**	**-**	**-**
Psychology Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Psychology Examiners Board	**-**	**-**	**-**
Public Education Employees Health Insurance Board			
Administrative Support Service	-	-	-
Total Public Education Employees Health Insurance Board	**-**	**-**	**-**
Public Library Service			
Public Library Services	-	-	-
Total Public Library Service	**-**	**-**	**-**
Public Livestock Market Board			
Agricultural Development Services	-	-	-
Total Public Livestock Market Board	**-**	**-**	**-**
Real Estate Appraisers Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Real Estate Appraisers Board	**-**	**-**	**-**
Real Estate Commission			
Professional and Occupational Licensure and Regulation	-	-	-
Total Real Estate Commission	**-**	**-**	**-**
Retirement Systems of Alabama			
Retirement Systems	-	-	-
Total Retirement Systems of Alabama	**-**	**-**	**-**
Securities Commission			
Regulatory Services	-	-	-
Total Securities Commission	**-**	**-**	**-**
Senior Services			
Elderly Medication Program	1,817	1,810	7
Medicaid Waiver Services	22,937	20,857	2,080
Planning and Advocacy for Elderly	8,924	8,889	35
Total Senior Services	**33,678**	**31,556**	**2,122**
Serve Alabama			
Executive Direction	148	108	40
Total Serve Alabama	**148**	**108**	**40**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	2,518	1,625	893	2,518	1,625	893
-	**-**	**-**	**2,518**	**1,625**	**893**	**2,518**	**1,625**	**893**
-	-	-	30	12	18	30	12	18
-	**-**	**-**	**30**	**12**	**18**	**30**	**12**	**18**
-	-	-	-	-	-	1,304	608	696
-	**-**	**-**	**-**	**-**	**-**	**1,304**	**608**	**696**
-	-	-	80	58	22	80	58	22
-	**-**	**-**	**80**	**58**	**22**	**80**	**58**	**22**
-	-	-	1,674	1,007	667	1,674	1,007	667
-	**-**	**-**	**1,674**	**1,007**	**667**	**1,674**	**1,007**	**667**
-	-	-	75	59	16	75	59	16
-	**-**	**-**	**75**	**59**	**16**	**75**	**59**	**16**
-	-	-	300	214	86	300	214	86
-	**-**	**-**	**300**	**214**	**86**	**300**	**214**	**86**
-	-	-	4,920	3,480	1,440	4,920	3,480	1,440
-	**-**	**-**	**4,920**	**3,480**	**1,440**	**4,920**	**3,480**	**1,440**
7,043	6,824	219	2,607	2,141	466	9,650	8,965	685
7,043	**6,824**	**219**	**2,607**	**2,141**	**466**	**9,650**	**8,965**	**685**
-	-	-	3	1	2	3	1	2
-	**-**	**-**	**3**	**1**	**2**	**3**	**1**	**2**
-	-	-	917	740	177	917	740	177
-	**-**	**-**	**917**	**740**	**177**	**917**	**740**	**177**
-	-	-	5,504	3,969	1,535	5,504	3,969	1,535
-	**-**	**-**	**5,504**	**3,969**	**1,535**	**5,504**	**3,969**	**1,535**
-	-	-	74,286	45,732	28,554	74,286	45,732	28,554
-	**-**	**-**	**74,286**	**45,732**	**28,554**	**74,286**	**45,732**	**28,554**
-	-	-	9,644	7,174	2,470	9,644	7,174	2,470
-	**-**	**-**	**9,644**	**7,174**	**2,470**	**9,644**	**7,174**	**2,470**
-	-	-	-	-	-	1,817	1,810	7
-	-	-	85,489	69,557	15,932	108,426	90,414	18,012
-	-	-	34,639	24,747	9,892	43,563	33,636	9,927
-	**-**	**-**	**120,128**	**94,304**	**25,824**	**153,806**	**125,860**	**27,946**
350	315	35	4,918	2,514	2,404	5,416	2,937	2,479
350	**315**	**35**	**4,918**	**2,514**	**2,404**	**5,416**	**2,937**	**2,479**

Continued on next page...

	General Fund		
	Budget	**Actual**	**Variance**
Sickle Cell Oversight Commission			
Support - Other Educational Activities	-	-	-
Total Sickle Cell Oversight Commission	**-**	**-**	**-**
Social Work Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Social Work Examiners Board	**-**	**-**	**-**
Soil and Water Conservation Commission			
Professional and Occupational Licensure and Regulation	-	-	-
Resource Conservation and Development	2,893	2,893	-
Water Resource Development	2,773	2,618	155
Total Soil and Water Conservation Commission	**5,666**	**5,511**	**155**
Speaker of the House			
Speaker of House, Office of	2,317	807	1,510
Total Speaker of the House	**2,317**	**807**	**1,510**
Speech Pathologists and Audiologists Examining Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Speech Pathologists and Audiologists Examining Board	**-**	**-**	**-**
State Bar Association			
Professional and Occupational Licensure and Regulation	-	-	-
Total State Bar Association	**-**	**-**	**-**
State Employees Insurance Board			
Administrative Support Service	-	-	-
Fringe Benefits	-	-	-
Total State Employees Insurance Board	**-**	**-**	**-**
State Executive Commission - Community Services			
Alabama Community Service Grant: House of Representatives	-	-	-
Alabama Community Service Grant: Senate	-	-	-
Total State Executive Commission - Community Services	**-**	**-**	**-**
State Industrial Development Authority			
Industrial Development	-	-	-
Total State Industrial Development Authority	**-**	**-**	**-**
Supercomputer Authority			
Information Technology Services	-	-	-
Total Supercomputer Authority	**-**	**-**	**-**
Supreme Court			
Court Operations	11,386	9,518	1,868
Total Supreme Court	**11,386**	**9,518**	**1,868**
Supreme Court Law Library			
Court Operations	731	725	6
Total Supreme Court Law Library	**731**	**725**	**6**
Surface Mining Commission			
Industrial Safety and Accident Prevention	-	-	-
Total Surface Mining Commission	**-**	**-**	**-**
Tax Tribunal			
Administrative Services	-	-	-
Total Tax Tribunal	**-**	**-**	**-**
Tourism			
Tourism and Travel Promotion	1,750	1,588	162
Total Tourism	**1,750**	**1,588**	**162**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
1,305	1,303	2	-	-	-	1,305	1,303	2
1,305	**1,303**	**2**	**-**	**-**	**-**	**1,305**	**1,303**	**2**
-	-	-	443	244	199	443	244	199
-	**-**	**-**	**443**	**244**	**199**	**443**	**244**	**199**
-	-	-	5	1	4	5	1	4
-	-	-	-	-	-	2,893	2,893	-
-	-	-	1,613	1,391	222	4,386	4,009	377
-	**-**	**-**	**1,618**	**1,392**	**226**	**7,284**	**6,903**	**381**
-	-	-	-	-	-	2,317	807	1,510
-	**-**	**-**	**-**	**-**	**-**	**2,317**	**807**	**1,510**
-	-	-	296	203	93	296	203	93
-	**-**	**-**	**296**	**203**	**93**	**296**	**203**	**93**
-	-	-	6,548	5,382	1,166	6,548	5,382	1,166
-	**-**	**-**	**6,548**	**5,382**	**1,166**	**6,548**	**5,382**	**1,166**
-	-	-	7,806	5,452	2,354	7,806	5,452	2,354
-	-	-	1,597	1,597	-	1,597	1,597	-
-	**-**	**-**	**9,403**	**7,049**	**2,354**	**9,403**	**7,049**	**2,354**
1,000	1,000	-	-	-	-	1,000	1,000	-
1,000	1,000	-	-	-	-	1,000	1,000	-
2,000	**2,000**	**-**	**-**	**-**	**-**	**2,000**	**2,000**	**-**
-	-	-	2,350	1,642	708	2,350	1,642	708
-	**-**	**-**	**2,350**	**1,642**	**708**	**2,350**	**1,642**	**708**
-	-	-	16,679	13,952	2,727	16,679	13,952	2,727
-	**-**	**-**	**16,679**	**13,952**	**2,727**	**16,679**	**13,952**	**2,727**
-	-	-	-	-	-	11,386	9,518	1,868
-	**-**	**-**	**-**	**-**	**-**	**11,386**	**9,518**	**1,868**
250	235	15	-	-	-	981	960	21
250	**235**	**15**	**-**	**-**	**-**	**981**	**960**	**21**
-	-	-	4,167	2,528	1,639	4,167	2,528	1,639
-	**-**	**-**	**4,167**	**2,528**	**1,639**	**4,167**	**2,528**	**1,639**
-	-	-	425	391	34	425	391	34
-	**-**	**-**	**425**	**391**	**34**	**425**	**391**	**34**
-	-	-	16,346	15,470	876	18,096	17,058	1,038
-	**-**	**-**	**16,346**	**15,470**	**876**	**18,096**	**17,058**	**1,038**

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2015

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
Twenty-first Century Authority			
Debt Service	-	-	-
Total Twenty-first Century Authority	**-**	**-**	**-**
Veterans Affairs			
Administration of Veterans Affairs	1,769	1,289	480
Student Financial Aid	-	-	-
Veterans' Cemetary	-	-	-
Veterans' Home	-	-	-
Total Veterans Affairs	**1,769**	**1,289**	**480**
Veterinarian Medical Examiners Board			
Professional and Occupational Licensure and Regulation	-	-	-
Total Veterinarian Medical Examiners Board	**-**	**-**	**-**
Women's Commission			
Employment and Social Opportunities	-	-	-
Total Women's Commission	**-**	**-**	**-**
TOTAL Other	**242,110**	**205,390**	**36,720**
TOTAL EXPENDITURES	**$ 1,602,129**	**$ 1,524,405**	**$ 77,724**
TRANSFERS OUT:			
Education Trust Fund Transfers			
Building Commission	-	-	-
Child Abuse Board	-	-	-
Education Tech Fund Transfer	-	-	-
Education Trust Fund Proration Prevention Account	-	-	-
Historical Commission	-	-	-
Human Resources	-	-	-
Law Enforcement Agency	-	-	-
Mental Health	-	-	-
Public School Fund Endowment	-	-	-
Supercomputer	-	-	-
TOTAL Education Trust Fund Transfers	**-**	**-**	**-**
General Fund Transfers			
Agriculture and Conservation Development Commission	252	252	-
Child Abuse Board	86	86	-
Child Health Insurance Program	47,611	32,981	14,630
Constitutional Amendment 856 Repayment	10,000	10,000	-
Crime Victims Compensation Commission	100	100	-
Environmental Management - Operations	833	833	-
Environmental Management-Steel / Dust Sludge	1,006	971	35
Fair Trial Tax Transfer	45,000	45,000	-
Finance	1,570	1,570	-
Forestry Commission	8,799	8,799	-
Forestry Emergency Forest Fire	180	180	-
Governor's Mansion Authority	143	143	-
Historical Commission	2,278	2,278	-
Human Resources	59,135	59,135	-
Local Emergency Management Agency Assistance	97	97	-
Mental Health	105,672	105,672	-
Pollution Grant	200	200	-
Revenue-Ad Valorem Equalization	250	250	-
State Law Enforcement	40,875	40,875	-
Surface Mining Commission	164	164	-

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	277	277	-	277	277	-
-	-	-	**277**	**277**	-	**277**	**277**	-
2,497	2,493	4	9,262	2,813	6,449	13,528	6,595	6,933
52,674	52,674	-	-	-	-	52,674	52,674	-
-	-	-	614	318	296	614	318	296
-	-	-	95,560	51,521	44,039	95,560	51,521	44,039
55,171	**55,167**	**4**	**105,436**	**54,652**	**50,784**	**162,376**	**111,108**	**51,268**
-	-	-	726	587	139	726	587	139
-	-	-	**726**	**587**	**139**	**726**	**587**	**139**
-	-	-	30	14	16	30	14	16
-	-	-	**30**	**14**	**16**	**30**	**14**	**16**
234,613	**233,635**	**978**	**1,377,073**	**1,126,326**	**250,747**	**1,853,796**	**1,565,351**	**288,445**
$ 5,792,816	**$ 5,789,110**	**$ 3,706**	**$16,305,567**	**$13,852,596**	**$ 2,452,971**	**$23,700,512**	**$21,166,111**	**$ 2,534,401**
510	510	-	-	-	-	510	510	-
452	452	-	-	-	-	452	452	-
1,584	1,584	-	-	-	-	1,584	1,584	-
35,089	35,089	-	-	-	-	35,089	35,089	-
450	450	-	-	-	-	450	450	-
30,415	30,415	-	-	-	-	30,415	30,415	-
430	430	-	-	-	-	430	430	-
44,202	44,202	-	-	-	-	44,202	44,202	-
533	533	-	-	-	-	533	533	-
8,819	8,819	-	-	-	-	8,819	8,819	-
122,484	**122,484**	**-**	**-**	**-**	**-**	**122,484**	**122,484**	**-**
-	-	-	-	-	-	252	252	-
-	-	-	-	-	-	86	86	-
-	-	-	-	-	-	47,611	32,981	14,630
-	-	-	-	-	-	10,000	10,000	-
-	-	-	-	-	-	100	100	-
-	-	-	-	-	-	833	833	-
-	-	-	-	-	-	1,006	971	35
-	-	-	-	-	-	45,000	45,000	-
-	-	-	-	-	-	1,570	1,570	-
-	-	-	-	-	-	8,799	8,799	-
-	-	-	-	-	-	180	180	-
-	-	-	-	-	-	143	143	-
-	-	-	-	-	-	2,278	2,278	-
-	-	-	-	-	-	59,135	59,135	-
-	-	-	-	-	-	97	97	-
-	-	-	-	-	-	105,672	105,672	-
-	-	-	-	-	-	200	200	-
-	-	-	-	-	-	250	250	-
-	-	-	-	-	-	40,875	40,875	-
-	-	-	-	-	-	164	164	-

Continued on next page...

DETAIL SCHEDULE OF BUDGET AND ACTUAL EXPENDITURES
All Agencies and Appropriations, *Non-GAAP, Budget Basis*
(Continued from previous page)
For the Fiscal Year Ended September 30, 2015

(Amounts in Thousands)

	General Fund		
	Budget	**Actual**	**Variance**
TOTAL General Fund Transfers	**324,251**	**309,586**	**14,665**
TOTAL TRANSFERS OUT	**$ 324,251**	**$ 309,586**	**$ 14,665**
TOTAL EXPENDITURES AND TRANSFERS OUT	**$ 1,926,380**	**$ 1,833,991**	**$ 92,389**

Education Trust Fund			Earmarked Funds			Total		
Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	-	-	-	324,251	309,586	14,665
$ 122,484	$ 122,484	$ -	$ -	$ -	$ -	$ 446,735	$ 432,070	$ 14,665
$ 5,915,300	$ 5,911,594	$ 3,706	$16,305,567	$13,852,596	$ 2,452,971	$24,147,247	$21,598,181	$ 2,549,066

STATE OF ALABAMA

SCHEDULE OF REVENUES BY PRINCIPAL SOURCES
Governmental Funds in State Treasury - Cash Basis, Transfers Excluded
For the Fiscal Year Ended September 30, 2015

(Amounts in Thousands)

TAXES		
General Sales Tax (4% on gross retail sale of merchandise)	$ 2,125,586	10.5%
General Use Tax	319,854	1.6%
Income Tax (2% to 5% personal income, 6.5% net corporate income)	3,774,346	18.6%
Property Tax Relief (represents portion of Income Tax used to offset property taxes lost in certain funds due to homestead exemptions)	49,348	0.2%
General Property Tax (6 1/2 mills for state on varying rates not over 30%)	332,905	1.6%
Gasoline Taxes (16¢ per gallon; 3¢ aviation; 1¢ jet)	415,456	2.0%
Utilities Tax (6% telephone, 4% other)	416,614	2.0%
Insurance Premium Tax (1% to 6%)	310,804	1.5%
Liquor & Wine Tax (totals 56%, collected by ABC stores)	119,771	0.6%
Tobacco & Cigarette Taxes (21.25 mills per cigarette; varying amounts on cigars, smoking tobacco, snuff, etc.)	125,147	0.6%
Corporation Taxes (privilege, 25¢ to $1.75 per $1,000 net worth; permit, entrance fees for filing)	203,836	1.0%
State Beer Tax (5¢ per 12 oz.)	57,096	0.3%
Public Utilities (2.2%)	155,885	0.8%
Motor Fuel Tax (diesel 17¢ per gallon)	142,792	0.7%
Tennessee Valley Authority (payments in-lieu of all state taxes)	103,016	0.5%
Leasing / Renting Tangible Personal Property - (4% most items, 1.5% vehicles, 2% garments)	78,441	0.4%
Production Privilege Tax (Oil & Gas Severance at amounts varying 2-8%)	68,294	0.3%
Financial Institutions Excise Tax (6.5% of net income of banks and other financial institutions)	38,373	0.2%
Documentary Filing Taxes (auto title, deed, mortgage, securities, etc)	66,529	0.3%
Coal Severance Tax (33.5¢ per ton)	4,982	0.0%
Forestry Severance Tax	5,544	0.0%
Contractors Gross Receipts Tax (5% of gross receipts)	43,952	0.2%
Lodgings Tax (4% or 5% of charge)	60,894	0.3%
Hydroelectric Companies (tax on 2/5 mill per kilowatt hour and 2.2% per dollar gross receipts)	1,697	0.0%
Lubricating Oil Tax (6¢ per gallon)	1,767	0.0%
Pari-mutuel Betting (1 or 2% on pari-mutuel pools)	1,514	0.0%
Court Cost Taxes	24,554	0.1%
Medicaid Taxes	370,205	1.8%
Cellular Telephones (6%)	57,321	0.3%
Ground Materials Severance Tax	11	0.0%
Miscellaneous Taxes	19,289	0.1%
TOTAL TAXES	**9,495,823**	**46.5%**

LICENSES AND FEES		
Conservation Licenses (fishing, hunting, boat registration, etc)	28,267	0.1%
Drivers Licenses and Fees	59,814	0.3%
Petroleum Products Inspection Fees (.00025¢ to 15¢ per gallon)	61,169	0.3%
Agricultural Licenses and Fees	14,985	0.1%
Wholesale Oil Company License	11,511	0.1%
Motor Vehicle License ($23.00 on auto; up to $845.00 on trucks and up to $210.00 on buses)	163,134	0.8%
Privilege License (fees for privilege of operating stores, factories, professions, businesses, etc)	88,141	0.4%
Court Fees	75,521	0.4%
Alcoholic Beverage Licenses	2,668	0.0%
Insurance Corporation Licenses and Fees	1,276	0.0%
Miscellaneous License and Fees	178,464	0.9%
TOTAL LICENSES AND FEES	**684,950**	**3.4%**
FINES AND FORFEITS		
Court Fines and Forfeits	23,185	0.1%
Tobacco Settlement	91,899	0.4%
Miscellaneous Fines and Forfeits	18,654	0.1%
TOTAL FINES AND FORFEITS	**133,738**	**0.7%**
INVESTMENT INCOME	**193,167**	**0.9%**
FEDERAL REVENUES	**8,589,855**	**42.0%**
OTHER REVENUES		
Rents and Royalties	82,869	0.4%
Reimbursements	114,928	0.6%
Sales of Property or Services	68,787	0.3%
Contributions	100,839	0.5%
Intragovernmental Services	247,517	1.2%
Local Revenues	150,395	0.7%
Medicaid CPE/IGT Revenues	403,563	2.0%
Miscellaneous Revenues	173,711	0.8%
TOTAL OTHER REVENUES	**1,342,609**	**6.5%**
TOTAL REVENUES	**$20,440,142**	**100.0%**

SCHEDULE OF REVENUES BY PRINCIPAL SOURCES AND DISTRIBUTIONS OF REVENUES
Governmental Funds in State Treasury - Cash Basis, Transfers Excluded

For the Fiscal Year Ended September 30, 2015

(Amounts in Thousands)

	Total Revenues	Admin-istrative Expense	Net Revenues	Human Resources Funds	General Fund	Public School Fund	Education Trust Fund	Alabama Trust Fund
TAXES								
General Sales Tax	$ 2,125,586	$ 58,595	$ 2,066,991	$ 68,218	$ 107,787	$ 0	$ 1,623,588	$ 57,500
General Use Tax	319,854	3,986	315,868	500	92,235	-	222,097	-
Income Tax	3,774,346	49,047	3,725,299	-	-	-	3,725,299	-
Property Tax Relief	49,348	-	49,348	7,288	20,195	21,865	-	-
General Property Tax	332,905	5,463	327,442	49,299	126,261	151,882	-	-
Gasoline Taxes	415,456	12,672	402,784	-	-	-	-	-
Utilities Tax	416,614	313	416,301	-	-	-	401,701	-
Insurance Premium Tax	310,804	-	310,804	-	274,766	-	30,993	-
Liquor & Wine Tax	119,771	-	119,771	42,956	59,893	-	-	-
Tobacco & Cigarette Taxes	125,147	441	124,706	2,739	109,001	-	-	-
Corporation Taxes	203,836	-	203,836	-	165,500	-	-	-
State Beer Tax	57,096	-	57,096	11,419	17,129	-	22,838	-
Public Utilities	155,885	-	155,885	-	23,735	-	-	-
Motor Fuel Tax	142,792	1,360	141,432	-	-	-	-	-
Tennessee Valley Authority	103,016	-	103,016	-	-	-	-	-
Leasing/Renting Personal Property	78,441	-	78,441	-	78,441	-	-	-
Production Privilege Tax	68,294	-	68,294	-	54,406	-	-	-
Financial Institutions Excise Tax	38,373	131	38,242	-	20,966	-	-	-
Documentary Filing Taxes	66,529	234	66,295	-	66,295	-	-	-
Coal Severance Tax	4,982	-	4,982	-	-	-	-	-
Forestry Severance Tax	5,544	291	5,253	-	-	-	-	-
Contractors Gross Receipts Tax	43,952	37	43,915	6,577	-	-	-	-
Lodgings Tax	60,894	30	60,864	-	43,984	-	-	-
Hydroelectric Companies	1,697	-	1,697	-	-	-	713	-
Lubricating Oil Tax	1,767	13	1,754	-	587	-	-	-
Pari-mutuel Betting	1,514	-	1,514	-	1,514	-	-	-
Court Cost Taxes	24,554	-	24,554	-	7,888	-	-	-
Medicaid Provider Taxes	370,205	224	369,981	-	-	-	-	-
Cellular Telephone Tax	57,321	-	57,321	-	35,483	-	19,992	-
Ground Materials Severance Tax	11	-	11	-	-	-	-	-
Miscellaneous Taxes	19,289	315	18,974	1	4,810	3	-	-
TOTAL TAXES	**9,495,823**	**133,152**	**9,362,671**	**188,997**	**1,310,876**	**173,750**	**6,047,221**	**57,500**
LICENSES AND FEES								
Conservation Licenses	28,267	-	28,267	-	-	-	-	-
Drivers Licenses and Fees	59,814	-	59,814	-	33,551	-	-	-
Petroleum Products Inspection Fee	61,169	-	61,169	-	-	-	-	-
Agricultural License and Fees	14,985	-	14,985	-	-	40	-	-
Wholesale Oil Company License	11,511	-	11,511	-	11,511	-	-	-
Motor Vehicle License	163,134	2,392	160,742	-	43,355	-	-	-
Privilege License	88,141	1,520	86,621	-	12,935	-	142	-
Court Fees	75,521	-	75,521	-	41,374	-	-	-
Alcoholic Beverage Licenses	2,668	-	2,668	-	2,668	-	-	-
Insurance Corp Licenses and Fees	1,276	-	1,276	-	610	-	-	-
Miscellaneous License and Fees	178,464	555	177,909	367	8,563	-	41	-
TOTAL LICENSES AND FEES	**684,950**	**4,467**	**680,483**	**367**	**154,567**	**40**	**183**	**0**
FINES AND FORFEITS								
Court Fines and Forfeits	23,185	-	23,185	-	14,648	-	-	-
Tobacco Settlement	91,899	-	91,899	-	4	-	-	-
Miscellaneous Fines and Forfeits	18,654	-	18,654	-	948	-	-	-
TOTAL FINES AND FORFEITS	**133,738**	**-**	**133,738**	**0**	**15,600**	**-**	**0**	**0**
INVESTMENT INCOME	**193,167**	**-**	**193,167**	**-**	**10,031**	**-**	**-**	**152,554**
FEDERAL REVENUES	**8,589,855**	**-**	**8,589,855**	**1,655,414**	**1**	**-**	**-**	**-**
Medicaid CPE/IGT Revenues	403,563	-	403,563	-	-	-	-	-
Miscellaneous Revenues	939,046	5,603	933,443	3,782	2,322	2,027	943	60,824
TOTAL REVENUES	**$ 20,440,142**	**$ 143,222**	**$ 20,296,920**	**$ 1,848,560**	**$ 1,493,397**	**$ 175,817**	**$ 6,048,347**	**$ 270,878**

Distributed To Local Government	Debt Service Funds	Medicaid	Transportation Department	Health General & Mental	Education Department	Economic & Community Affairs	Other	Distribution of Other Amounts
$ 5,645	$ 199,253	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5,000	State Parks
-	-	-	-	-	-	-	1,036	Conservation Dept.
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
178,880	-	-	218,692	-	-	-	5,212	Conservation 3M
-	-	-	-	14,600	-	-	-	
-	-	-	-	4,525	-	-	520	Insurance Dept
-	-	-	-	16,922	-	-	-	
642	1,650	-	-	7,935	-	-	2,739	State Parks
38,336	-	-	-	-	-	-	-	
5,710	-	-	-	-	-	-	-	
-	-	-	-	132,150	-	-	-	
2,510	-	-	138,922	-	-	-	-	
85,503	-	-	-	-	-	-	17,513	Incentives Fin Auth
-	-	-	-	-	-	-	-	
13,888	-	-	-	-	-	-	-	
17,276	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
2,952	-	-	-	-	-	-	2,030	
-	-	-	-	-	-	-	5,253	Forestry
-	-	-	-	37,338	-	-	-	
2,219	-	-	-	-	-	-	14,661	Tourism
-	-	-	-	984	-	-	-	
642	-	-	525	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	2,360	-	14,306	Fair Trial Fd 12.2M
-	-	369,981	-	-	-	-	-	
-	1,846	-	-	-	-	-	-	
11	-	-	-	-	-	-	-	
138	-	-	44	-	-	-	13,978	Labor 4.2M; ADEM 6.3M
354,352	**202,749**	**369,981**	**358,183**	**214,454**	**2,360**	**0**	**82,248**	
-	-	-	-	-	-	-	28,267	Conservation
702	-	-	-	-	-	-	25,561	Public Safety
10,830	-	-	44,982	-	-	-	5,357	Agriculture
-	-	-	-	-	-	-	14,945	Agriculture
-	-	-	-	-	-	-	-	
21,554	-	-	91,677	-	-	-	4,156	Corrections 3.1M
-	-	-	3,818	4,000	833	-	64,893	Prof & Occup Boards 30M
-	-	-	-	110	-	-	34,037	AOC 21M; DFS 8.7M
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	666	Insurance Dept
226	-	42	1,513	39,334	-	68	127,755	ADEM 60M; PSC 17; Parole 12.5M
33,312	**0**	**42**	**141,990**	**43,444**	**833**	**68**	**305,637**	
-	-	-	-	151	-	1,441	6,945	DFS 2.2M; DOC 1.9M
-	-	-	-	-	-	-	91,895	21st Century Fund
3	-	1,550	-	3	-	-	16,150	Atty Gen 8.9M
3	**0**	**1,550**	**0**	**154**	**0**	**1,441**	**114,990**	
-	**21**	**10**	**362**	**17**	**-**	**71**	**30,101**	Co & City CITF 26.1M
1,695	**5,570**	**4,140,659**	**875,982**	**374,821**	**910,513**	**179,009**	**446,191**	EMA 55;DRS 68;DOL 51;Mil 61
-	-	403,563	-	-	-	-	-	
-	15,209	167,653	328,795	37,727	40,862	3,788	269,511	Cons 130 Uncl Prop 42 DOC 24M
$ 389,362	**$ 223,549**	**$ 5,083,458**	**$ 1,705,312**	**$ 670,617**	**$ 954,568**	**$ 184,377**	**$ 1,248,678**	

ALABAMA
TENNESSEE
TENNESSEE RIVER
RIVER
RIVER
BLACK WARRIOR
COOSA
ALLAPOOSA
CHEAHA R.
RIVER
MISSISSIPPI
RIVER
ALABAMA
GEORGIA
TOMBIGBEE
CONECUH R.
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

Nonmajor Enterprise Funds

Nonmajor Enterprise Funds are used to account for the operations of State funds that provide goods and services to external users in a manner similar to private business enterprises. The cost of providing the goods or services are recovered primarily through user charges.

State Insurance Fund

Accounts for resources used to provide insurance coverage for State buildings, school buildings, and their contents.

Alabama Fire College and Personnel Standards Commission

Develops and delivers training courses and administers the process of fire service certification in the state.

Alabama Health Insurance Plan

Provides health insurance coverage for citizens who have lost their group health insurance.

Motor Sports Hall of Fame

Operates a public exhibit displaying the history of automotive racing and other motor sports.

Corrections Canteen

Accounts for the activity of the canteen funds of the Department of Corrections.

Military Department

Accounts for the Military Department's billeting activity and the canteen funds for the National Guard.

COMBINING STATEMENT OF NET POSITION
Nonmajor Enterprise Funds

September 30, 2015
(Amounts in Thousands)

	State Insurance Fund	Fire College and Personnel Standards Commission	Alabama Health Insurance Plan	Motor Sports Hall of Fame	Corrections Canteen
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 16,625	$ 2,084	$ 705	$ 2	$ 885
Investments, Short-term	2,924	4,391	-	39	-
Due From Other Funds	682	-	-	-	-
Due From Component Units	10	-	-	-	-
Accounts Receivable	159	234	-	-	299
Securities Lending Collateral	4	-	-	-	-
Inventory	-	172	-	-	856
Other Current Assets	10,496	-	310	-	-
Total Current Assets	**30,900**	**6,881**	**1,015**	**41**	**2,040**
Noncurrent Assets					
Investments, Long-term	70,136	-	-	-	-
Due From Other Funds	11,791	-	-	-	-
Other Noncurrent Assets	-	41	-	-	-
Capital Assets, Net of Accumulated Depreciation	-	7,562	-	996	-
Capital Assets Not Depreciated	-	262	-	2,630	-
Total Noncurrent Assets	**81,927**	**7,865**	**0**	**3,626**	**0**
TOTAL ASSETS	**112,827**	**14,746**	**1,015**	**3,667**	**2,040**
DEFERRED OUTFLOWS OF RESOURCES	**0**	**278**	**0**	**10**	**0**
LIABILITIES					
Current Liabilities					
Warrants Payable	210	-	-	-	-
Due To Other Funds	-	-	-	-	1,000
Accounts Payable	18	477	-	47	90
Due To Other Governments	1	-	-	-	-
Claims Payable	4,587	-	12	-	-
Compensated Absences	-	33	-	1	-
Securities Lending Obligation	4	-	-	-	-
Total Current Liabilities	**4,820**	**510**	**12**	**48**	**1,090**
Noncurrent Liabilities					
Claims Payable	2,268	-	-	-	-
Unearned Revenue, Noncurrent	-	142	-	-	-
Due To Other Funds	10,000	-	-	-	-
Compensated Absences	-	215	-	10	-
Other Post-employment Benefits	-	-	-	33	-
Net Pension Liability	-	3,467	-	72	-
Notes and Capital Leases Payable	-	-	-	1,412	-
Total Noncurent Liabilities	**12,268**	**3,824**	**0**	**1,527**	**0**
TOTAL LIABILITIES	**17,088**	**4,334**	**12**	**1,575**	**1,090**
DEFERRED INFLOWS OF RESOURCES	**0**	**405**	**0**	**5**	**0**
NET POSITION					
Net Investment in Capital Assets	-	7,824	-	2,214	-
Education	-	2,461	-	-	-
Health	-	-	1,003	-	-
Unrestricted	95,739	-	-	(117)	950
TOTAL NET POSITION	**$ 95,739**	**$ 10,285**	**$ 1,003**	**$ 2,097**	**$ 950**

Military Department	Totals
$ 3,735	$ 24,036
-	7,354
-	682
-	10
8	700
1	5
229	1,257
-	10,806
3,973	**44,850**
-	70,136
-	11,791
-	41
1,123	9,681
-	2,892
1,123	**94,541**
5,096	**139,391**
14	**302**
-	210
-	1,000
162	794
4	5
-	4,599
1	35
1	5
168	**6,648**
-	2,268
-	142
-	10,000
16	241
221	254
269	3,808
-	1,412
506	**18,125**
674	**24,773**
17	**427**
1,123	11,161
-	2,461
-	1,003
3,296	99,868
$ 4,419	**$ 114,493**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	State Insurance Fund	Fire College and Personnel Standards Commission	Alabama Health Insurance Plan	Motor Sports Hall of Fame	Corrections Canteen
OPERATING REVENUES					
Charges for Goods and Services	$ 0	$ 2,337	$ 248	$ 0	$ 29,205
Premiums and Contributions	46,198	-	-	-	-
Rents and Leases	-	-	-	155	-
Total Operating Revenues	**46,198**	**2,337**	**248**	**155**	**29,205**
OPERATING EXPENSES					
Salaries, Wages, and Benefits	-	3,647	-	90	-
Utilities and Communications	-	497	-	-	-
Professional Services	3,765	-	270	3	-
Supplies, Materials, and Operating Expenses	22,467	2,861	-	16	16,526
Depreciation	-	564	-	89	-
Claims and Benefits	5,447	-	-	-	-
Other	-	-	-	3	-
Total Operating Expenses	**31,679**	**7,569**	**270**	**201**	**16,526**
Operating Income (Loss)	**14,519**	**(5,232)**	**(22)**	**(46)**	**12,679**
NONOPERATING REVENUES (EXPENSES)					
Grants	-	1,017	-	-	-
Investment Income	619	27	-	15	-
Other Nonoperating Revenues	29	339	-	36	-
Interest Expense	-	-	-	(68)	-
Other Nonoperating Expenses	(462)	-	-	-	-
Total Nonoperating Revenues (Expenses)	**186**	**1,383**	**0**	**(17)**	**0**
Income (Loss) Before Contributions and Transfers	**14,705**	**(3,849)**	**(22)**	**(63)**	**12,679**
Transfers In	-	3,783	-	-	-
Transfers Out	-	-	-	-	(12,739)
Increase (Decrease) in Net Position	**14,705**	**(66)**	**(22)**	**(63)**	**(60)**
Total Net Position, October 1, 2014, as Restated	81,034	10,351	1,025	2,160	1,010
Total Net Position, September 30, 2015	**$ 95,739**	**$ 10,285**	**$ 1,003**	**$ 2,097**	**$ 950**

Military Department	Totals
$ 10,330	$ 42,120
-	46,198
267	422
10,597	**88,740**
346	4,083
72	569
18	4,056
10,351	52,221
59	712
-	5,447
3	6
10,849	**67,094**
(252)	**21,646**
1	1,018
25	686
1	405
-	(68)
(14)	(476)
13	**1,565**
(239)	**23,211**
-	3,783
(3)	(12,742)
(242)	**14,252**
4,661	100,241
$ 4,419	**$ 114,493**

COMBINING STATEMENT OF CASH FLOWS
Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	State Insurance Fund	Fire College and Personnel Standards Commission	Alabama Health Insurance Plan	Motor Sports Hall of Fame	Corrections Canteen
Cash Flows from Operating Activities:					
Receipts from Customer & User Charges	$ 47,099	$ 2,630	$ 110	$ 154	$ 29,132
Receipts from Interfund Services	6,139	-	-	-	-
Receipts from Operating Grants	-	1,017	-	-	-
Receipts from Other Operating Activities	79	293	-	48	-
Payments for Goods Held for Resale	-	-	(732)	-	(16,418)
Payments for Other Goods & Services	(22,922)	(2,408)	-	(12)	-
Payments for Employees Services	-	(4,662)	-	(89)	-
Payments for Interfund Services	(3,107)	-	-	-	-
Payments for Other Operating Activities	(297)	-	-	-	-
Payments for Claims	(14,418)	-	-	-	-
Net Cash Provided by (Used In) Operating Activities	**12,573**	**(3,130)**	**(622)**	**101**	**12,714**
Cash Flows from Noncapital Financing Activities:					
Receipts from Noncapital Financing Grants & Donations	-	-	-	5	-
Transfers from Other Funds for Noncapital Financing	-	3,783	-	-	-
Transfers to Other Funds for Noncapital Financing	-	-	-	-	(12,928)
Net Cash Provided By (Used In) Noncapital Financing Activities	**0**	**3,783**	**0**	**5**	**(12,928)**
Cash Flows From Capital & Related Financing Activities:					
Payments to Acquire, Construct, & Improve Capital Assets	(62)	(2,147)	-	(1)	-
Principal Paid on Revenue Bonds & Other Capital Debt	-	-	-	(94)	-
Interest Paid on Revenue Bonds & Other Capital Debt	-	-	-	(68)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	**(62)**	**(2,147)**	**0**	**(163)**	**0**
Cash Flows From Investing Activities					
Receipts from Sales & Maturities of Investments	1	-	-	26	-
Receipts from Interest & Dividends on Investments & Loans	1,838	27	-	15	-
Purchase of Investments	-	(24)	-	-	-
Net Cash Provided By (Used In) Investing Activities	**1,839**	**3**	**0**	**41**	**0**
Net Increase (Decrease) In Cash and Cash Equivalents	**14,350**	**(1,491)**	**(622)**	**(16)**	**(214)**
Cash Balance as Restated, October 1, 2014	2,064	3,575	1,327	18	1,099
Cash Balance, September 30, 2015	**16,414**	**2,084**	**705**	**2**	**885**
Add: Warrants Payable	211	-	-	-	-
Cash and Cash Equivalents, as Reported on Balance Sheet	**$ 16,625**	**$ 2,084**	**$ 705**	**$ 2**	**$ 885**

Military Department	Totals
$ 10,598	$ 89,723
-	6,139
-	1,017
1	421
(9,833)	(26,983)
(458)	(25,800)
(319)	(5,070)
(15)	(3,122)
(69)	(366)
-	(14,418)
(95)	**21,541**
-	5
-	3,783
(3)	(12,931)
(3)	**(9,143)**
(10)	(2,220)
-	(94)
-	(68)
(10)	**(2,382)**
-	27
25	1,905
-	(24)
25	**1,908**
(83)	**11,924**
3,818	11,901
3,735	**23,825**
-	211
$ 3,735	**$ 24,036**

Continued on next page...

COMBINING STATEMENT OF CASH FLOWS (Continued from Previous Page)
Nonmajor Enterprise Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	State Insurance Fund	Fire College and Personnel Standards Commission	Alabama Health Insurance Plan	Motor Sports Hall of Fame	Corrections Canteen
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	**$ 14,519**	**$ (5,232)**	**$ (22)**	**$ (46)**	**$ 12,679**
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Due From Other Funds	603	-	-	-	-
Accounts Receivable	4,211	292	-	-	11
Inventory	-	(23)	-	-	25
Other Assets	730	28	(10)	-	-
Deferred Outflows of Resources	-	(4)	-	-	-
Due To Other Funds	-	-	-	-	-
Due to Component Units	-	-	(451)	-	-
Accounts Payable	(54)	37	(1)	20	(1)
Claims Payable	(7,010)	-	(138)	-	-
Compensated Absences	-	(57)	-	-	-
Other Post-employment Benefits	-	-	-	5	-
Net Pension Liability	-	(450)	-	(8)	-
Deferred Inflows of Resources	-	405	-	5	-
Depreciation	-	564	-	89	-
Nonoperating Revenues	36	1,310	-	36	-
Nonoperating Expenses	(462)	-	-	-	-
Total Adjustments	(1,946)	2,102	(600)	147	35
Net Cash Provided (Used) by Operating Activities	**$ 12,573**	**$ (3,130)**	**$ (622)**	**$ 101**	**$ 12,714**
Noncash Investing, Capital, and Financing Activities					
Increase (Decrease):					
Capital Assets Acquired on Account	-	-	-	-	-
Disposals of Capital Assets	-	-	-	-	-
Interest Accruals and Other Adjustments	730	-	-	-	-
Unrealized Gains (Losses) in Investment Fair Value	(1,929)	-	-	-	-

Military Department	Totals
$ (252)	**$ 21,646**
-	603
-	4,514
(2)	-
-	748
-	(4)
(2)	(2)
-	(451)
70	71
-	(7,148)
1	(56)
24	29
6	(452)
-	410
59	712
1	1,383
-	(462)
157	(105)
$ (95)	**$ 21,541**
17	17
(85)	(85)
-	730
-	(1,929)

ALABAMA
TENNESSEE
TENNESSEE RIVER
RIVER
RIVER
BLACK WARRIOR
COOSA
RIVER
ALLAPOOSA
CHATTAHOOCHEE
RIVER
MISSISSIPPI
GEORGIA
TOMBIGBEE RIVER
ALABAMA
CONECUH R.
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

Internal Service Funds

Internal Service Funds account for the operation of State funds which provide goods and services primarily to other State funds on a cost-reimbursement basis.

Telecommunications Fund

Provides for the coordination and promotion of efficiency in the acquisition, operation and maintenance of telecommunications and computer equipment, services, systems, and networks used by state agencies.

Service Division

Accounts for various services provided to State agencies including janitorial services, motor pool, mail services, and building maintenance.

Correctional Industries

Accounts for the manufacturing activities of the State's correctional facilities.

Building Renovation Finance Authority

Accounts for the rental and maintenance of the buildings in the State Capitol Complex.

Risk Management

Accounts for resources used to provide insurance coverage for State employees against work related injuries as well as employment-related liability claims.

State Motor Pool

Accounts for motor pool services provided to State agencies.

Other Internal Service Funds

Account for other small internal service funds operated by the Finance and Military Departments.

COMBINING STATEMENT OF NET POSITION
Internal Service Funds

September 30, 2015
(Amounts in Thousands)

	Telecom-munications Fund	Service Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 7,706	$ 1,408	$ 4,745	$ 41,915	$ 58,340
Investments, Short-term	-	-	-	-	8,191
Due From Other Funds	8,668	1,766	1,028	1,618	167
Due From Component Units	30	46	5	8	-
Accounts Receivable	1,890	149	-	569	187
Securities Lending Collateral	32	6	18	161	66
Inventory	-	182	4,226	-	-
Total Current Assets	**18,326**	**3,557**	**10,022**	**44,271**	**66,951**
Noncurrent Assets					
Investments, Long-term	-	-	-	-	26,568
Due From Other Funds	-	-	-	-	10,000
Capital Assets, Net of Accumulated Depreciation	4,285	1,232	1,549	48,799	237
Capital Assets Not Depreciated	-	-	544	30,067	-
Total Noncurrent Assets	**4,285**	**1,232**	**2,093**	**78,866**	**36,805**
TOTAL ASSETS	**22,611**	**4,789**	**12,115**	**123,137**	**103,756**
DEFERRED OUTFLOWS OF RESOURCES	**1,057**	**74**	**292**	**1,053**	**450**
LIABILITIES					
Current Liabilities					
Warrants Payable	749	181	6	34	54
Due To Other Funds	186	27	59	104	211
Due To Component Units	-	-	-	-	24
Accounts Payable	8,048	860	2,376	1,030	413
Due To Other Governments	-	-	1	40	-
Claims Payable	-	-	-	-	4,321
Funds Held in Escrow	1	-	-	-	-
Compensated Absences	170	4	48	31	38
Securities Lending Obligation	32	6	18	161	66
Notes and Capital Leases Payable	1,579	-	-	-	-
Revenue Bonds Payable	-	-	-	2,850	-
Total Current Liabilities	**10,765**	**1,078**	**2,508**	**4,250**	**5,127**
Noncurrent Liabilities					
Claims Payable	-	-	-	-	44,121
Due To Other Funds	-	-	-	-	-
Compensated Absences	1,834	47	513	336	404
Other Post-employment Benefits	5,302	560	2,591	1,908	1,824
Net Pension Liability	20,683	799	5,366	3,949	6,310
Notes and Capital Leases Payable	2,310	-	-	-	-
Revenue Bonds Payable	-	-	-	41,571	-
Other Long-term Liabilities	557	-	-	-	-
Total Noncurent Liabilities	**30,686**	**1,406**	**8,470**	**47,764**	**52,659**
TOTAL LIABILITIES	**41,451**	**2,484**	**10,978**	**52,014**	**57,786**
DEFERRED INFLOWS OF RESOURCES	**1,023**	**59**	**248**	**241**	**384**
NET POSITION					
Net Investment in Capital Assets	396	1,232	2,094	35,682	237
Restricted for:					
Capital Projects	-	-	-	1,954	-
Unrestricted	(19,202)	1,088	(913)	34,299	45,799
TOTAL NET POSITION	**$ (18,806)**	**$ 2,320**	**$ 1,181**	**$ 71,935**	**$ 46,036**

State Motor Pool	Other Internal Service Funds	Totals
$ 1,189	$ 17,886	$ 133,189
-	-	8,191
486	3,415	17,148
4	13	106
8	333	3,136
5	69	357
-	-	4,408
1,692	**21,716**	**166,535**
-	-	26,568
-	-	10,000
626	400	57,128
-	742	31,353
626	**1,142**	**125,049**
2,318	**22,858**	**291,584**
26	**882**	**3,834**
1	5	1,030
93	533	1,213
-	-	24
133	2,961	15,821
-	-	41
-	-	4,321
-	-	1
-	133	424
5	69	357
-	-	1,579
-	-	2,850
232	**3,701**	**27,661**
-	-	44,121
-	742	742
-	1,430	4,564
316	1,707	14,208
379	9,028	46,514
-	-	2,310
-	-	41,571
-	-	557
695	**12,907**	**154,587**
927	**16,608**	**182,248**
23	**629**	**2,607**
626	1,141	41,408
-	-	1,954
768	5,362	67,201
$ 1,394	**$ 6,503**	**$ 110,563**

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Internal Service Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Telecom-munications Fund	Service Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
OPERATING REVENUES					
Charges for Goods and Services	$ 51,525	$ 9,438	$ 9,957	$ 1,091	$ 3,391
Premiums and Contributions	-	-	-	-	17,683
Rents and Leases	-	-	-	18,173	-
Total Operating Revenues	**51,525**	**9,438**	**9,957**	**19,264**	**21,074**
OPERATING EXPENSES					
Salaries, Wages, and Benefits	11,896	1,045	3,739	3,482	5,115
Utilities and Communications	13,776	45	704	3,650	55
Professional Services	5,898	149	324	1,832	3,064
Supplies, Materials, and Operating Expenses	11,680	7,232	15,943	1,078	481
Depreciation	4,809	135	252	3,006	55
Claims and Benefits	-	-	-	-	3,052
Other	2,963	333	393	1,415	971
Total Operating Expenses	**51,022**	**8,939**	**21,355**	**14,463**	**12,793**
Operating Income (Loss)	**503**	**499**	**(11,398)**	**4,801**	**8,281**
NONOPERATING REVENUES (EXPENSES)					
Grants	26	5	12	12	14
Investment Income	-	-	-	3	488
Other Nonoperating Revenues	20	44	67	6	31
Interest Expense	(119)	-	-	(1,848)	-
Other Nonoperating Expenses	(20)	(92)	-	(206)	(4)
Total Nonoperating Revenues (Expenses)	**(93)**	**(43)**	**79**	**(2,033)**	**529**
Income (Loss) Before Contributions and Transfers	**410**	**456**	**(11,319)**	**2,768**	**8,810**
Capital Contributions	1	122	-	-	-
Transfers In	576	343	4,074	5,330	3,792
Transfers Out	(992)	(1,754)	(28)	(866)	(3,812)
Increase (Decrease) in Net Position	**(5)**	**(833)**	**(7,273)**	**7,232**	**8,790**
Total Net Position, October 1, 2014, as Restated	(18,801)	3,153	8,454	64,703	37,246
Total Net Position, September 30, 2015	**$ (18,806)**	**$ 2,320**	**$ 1,181**	**$ 71,935**	**$ 46,036**

State Motor Pool	Other Internal Service Funds	Totals
$ 3,641	$ 12,791	$ 91,834
-	-	17,683
-	-	18,173
3,641	**12,791**	**127,690**
247	9,847	35,371
-	75	18,305
-	4,259	15,526
34	417	36,865
373	122	8,752
-	-	3,052
2,398	1,175	9,648
3,052	**15,895**	**127,519**
589	**(3,104)**	**171**
1	25	95
-	-	491
62	880	1,110
-	(29)	(1,996)
-	(21,420)	(21,742)
63	**(20,544)**	**(22,042)**
652	**(23,648)**	**(21,871)**
-	-	123
1,820	17,575	33,510
(343)	(34)	(7,829)
2,129	**(6,107)**	**3,933**
(735)	12,610	106,630
$ 1,394	**$ 6,503**	**$ 110,563**

COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Telecom-munications Fund	Service Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
Cash Flows from Operating Activities:					
Receipts from Customer & User Charges	$ 1,240	$ 139	$ 966	$ 18	$ 338
Receipts from Interfund Services	48,172	9,302	9,275	18,570	20,696
Receipts from Other Operating Activities	47	1	31	1	289
Payments for Goods Held for Resale	(3,367)	(6,792)	(7,535)	(410)	-
Payments for Other Goods & Services	(29,520)	(845)	(1,728)	(7,162)	(2,159)
Payments for Employees Services	(11,408)	(979)	(3,443)	(3,300)	(4,867)
Payments for Taxes, Fines, Penalties, & Similar Fees	-	-	(1)	-	-
Payments for Interfund Services	(1,690)	(167)	(437)	(503)	(1,413)
Payments for Other Operating Activities	(465)	(56)	(39)	(1)	(921)
Payments for Claims	-	-	-	-	(4,381)
Net Cash Provided by (Used In) Operating Activities	**3,009**	**603**	**(2,911)**	**7,213**	**7,582**
Cash Flows from Noncapital Financing Activities:					
Transfers from Other Funds for Noncapital Financing	576	-	4,074	5,329	-
Transfers to Other Funds for Noncapital Financing	(992)	(836)	(28)	(866)	(20)
Net Cash Provided By (Used In) Noncapital Financing Activities	**(416)**	**(836)**	**4,046**	**4,463**	**(20)**
Cash Flows From Capital & Related Financing Activities:					
Receipts from Sale of Capital Assets & Insurance Proceeds	2	19	35	6	-
Payments to Acquire, Construct, & Improve Capital Assets	(2,279)	(198)	(432)	(965)	(52)
Principal Paid on Revenue Bonds & Other Capital Debt	(2,560)	(39)	-	(2,645)	-
Interest Paid on Revenue Bonds & Other Capital Debt	(117)	(1)	-	(1,935)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	**(4,954)**	**(219)**	**(397)**	**(5,539)**	**(52)**
Cash Flows From Investing Activities					
Receipts from Sales & Maturities of Investments	-	-	-	-	1
Receipts from Interest & Dividends on Investments & Loans	-	-	-	3	141
Net Cash Provided By (Used In) Investing Activities	**0**	**0**	**0**	**3**	**142**
Net Increase (Decrease) In Cash and Cash Equivalents	**(2,361)**	**(452)**	**738**	**6,140**	**7,652**
Cash Balance as Restated, October 1, 2014	9,318	1,679	4,001	35,741	50,634
Cash Balance, September 30, 2015	**6,957**	**1,227**	**4,739**	**41,881**	**58,286**
Add: Warrants Payable	749	181	6	34	54
Cash and Cash Equivalents, as Reported on Balance Sheet	**$ 7,706**	**$ 1,408**	**$ 4,745**	**$ 41,915**	**$ 58,340**

State Motor Pool	Other Internal Service Funds	Totals
$ 1,567	$ 4,896	$ 9,164
1,589	8,051	115,655
4	181	554
-	(57)	(18,161)
(2,297)	(1,478)	(45,189)
(197)	(9,335)	(33,529)
-	-	(1)
-	(4,451)	(8,661)
(5)	(22)	(1,509)
-	-	(4,381)
661	**(2,215)**	**13,942**
829	22,493	33,301
-	(35)	(2,777)
829	**22,458**	**30,524**
164	-	226
(466)	(21,503)	(25,895)
-	-	(5,244)
-	-	(2,053)
(302)	**(21,503)**	**(32,966)**
-	-	1
-	-	144
0	**0**	**145**
1,188	**(1,260)**	**11,645**
-	19,141	120,514
1,188	**17,881**	**132,159**
1	5	1,030
$ 1,189	**$ 17,886**	**$ 133,189**

Continued on next page...

COMBINING STATEMENT OF CASH FLOWS (Continued from Previous Page)
Internal Service Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Telecom-munications Fund	Service Division	Correctional Industries	Building Renovation Finance Authority	Risk Management
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	**$ 503**	**$ 499**	**$ (11,398)**	**$ 4,801**	**$ 8,281**
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Due from Other Funds	(780)	24	194	10	201
Accounts Receivable	(1,695)	25	-	(567)	-
Inventory	-	570	7,301	(410)	-
Other Assets	-	-	-	409	-
Due to Other Funds	(86)	18	66	(28)	(247)
Accounts Payable	107	(786)	319	(25)	(2)
Claims Payable	-	-	-	-	(995)
Funds Held in Escrow	1	-	-	1	-
Compensated Absences	(87)	19	59	(57)	(10)
Other Post-employment Benefits	545	98	251	254	283
Net Pension Liability	155	(5)	1	13	5
Other Liabilities	(488)	-	-	-	-
Depreciation	4,809	135	252	3,006	55
Nonoperating Revenues	45	6	44	12	15
Nonoperating Expenses	(20)	-	-	(206)	(4)
Total Adjustments	2,506	104	8,487	2,412	(699)
Net Cash Provided (Used) by Operating Activities	**$ 3,009**	**$ 603**	**$ (2,911)**	**$ 7,213**	**$ 7,582**
Noncash Investing, Capital, and Financing Activities					
Increase (Decrease):					
Capital Assets Acquired by Capital Contribution	1	122	-	30,067	-
Capital Assets Acquired by Capital Lease or Other Debt	176	-	-	-	-
Capital Assets Acquired on Account	3	-	3	172	26
Disposals of Capital Assets	(1,357)	(243)	(169)	(91)	(54)
Capital Asset Reassignments	-	(2,225)	-	-	-
Revenue Bond Amortizations and Other Debt Adjustments	-	-	-	175	-
Interest Accruals and Other Adjustments	-	-	-	-	568
Unrealized Gains (Losses) in Investment Fair Value	-	-	-	-	(221)
Transfers In (Out)	-	(575)	-	1	3,107

State Motor Pool	Other Internal Service Funds	Totals
$ 589	**$ (3,104)**	**$ 171**
(497)	203	(645)
(1)	(142)	(2,380)
-	-	7,461
-	-	409
14	46	(217)
133	12	(242)
-	-	(995)
-	-	2
-	51	(25)
22	512	1,965
1	(136)	34
-	-	(488)
373	122	8,752
75	218	415
(48)	3	(275)
72	889	13,771
$ 661	**$ (2,215)**	**$ 13,942**
-	-	30,190
-	-	176
-	39	243
(372)	(71)	(2,357)
-	(21,420)	(23,645)
-	-	175
-	-	568
-	-	(221)
648	(140)	3,041

ALABAMA
TENNESSEE
TENNESSEE RIVER
RIVER
RIVER
BLACK WARRIOR
COOSA
ALLAPOOSA
CHATTAHOOCHEE RIVER
MISSISSIPPI
GEORGIA
TOMBIGBEE RIVER
ALABAMA
CONECUH R.
PEA R.
FLORIDA
Gulf of Mexico
GREAT SEAL

Pension and Other Employee Benefit Trust Funds

Pension and Other Employee Benefit Trust Funds account for the resources held in trust for members and beneficiaries of retirement plans and other employee benefit plans administered by the State.

Employees' Retirement System

Accounts for a pension plan for the benefit of State employees, State police, and employees of other eligible governmental organizations such as cities and counties within the State.

Teachers' Retirement System

Accounts for a pension plan for the benefit of employees of State supported educational institutions.

Judicial Retirement Fund

Accounts for a pension plan for the benefit of judges of the State's Supreme Court, Court of Civil Appeals, Court of Criminal Appeals, and Circuit Court.

Peace Officers' Annuity and Benefits

Provides pension benefits to State and local peace officers.

State Port Authority Hourly Plan

Is a retirement fund for certain hourly employees of the Alabama State Port Authority who are not members of the State Employees' Retirement System.

State Port Authority Railway Plan

Is a retirement fund for certain employees of the Alabama State Port Authority who are not members of the State Employees' Retirement System.

State Port Authority Hourly Defined Contribution

Is a defined contribution retirement plan for certain hourly employees of the Alabama State Port Authority who are not members of the State Employees' Retirement System.

Alabama Deferred Compensation Plan

Accounts for resources contributed by State employees for a deferred compensation plan sponsored by the Personnel Board.

RSA Employee Savings Plans

Accounts for resources contributed by public employees for deferred compensation plans and individual retirement accounts sponsored by the Retirement Systems of Alabama.

Retired Education Employees' Health Care Trust

Provides post-employment health insurance benefits for retired employees of State supported educational institutions.

Retired State Employees' Health Care Trust

Provides post-employment health insurance benefits for retired State employees.

Other Pension (and Other Employee Benefit) Trust Funds

Accounts for several small pension plans for Clerks and Registers and Firefighters.

COMBINING STATEMENT OF PLAN NET POSITION
Pension and Other Employee Benefit Trust Funds

September 30, 2015
(Amounts in Thousands)

	Employees' Retirement System	Teachers' Retirement System	Judicial Retirement Fund	Peace Officers' Annuity and Benefits	State Port Authority Hourly Plan
ASSETS					
Cash and Cash Equivalents	$ 18,113	$ 60,117	$ 2,709	$ 233	$ 0
Investments					
U.S. Treasury Securities	306,544	650,150	26,254	2,156	3,602
U.S. Agency Securities	85,343	187,525	5,732	215	778
Mortgage Backed Securities	195,531	431,907	10,908	1,375	1,965
Corporate Stocks	5,405,737	11,102,304	134,526	-	2,805
Corporate Bonds	1,752,794	3,619,337	31,145	1,650	4,951
Real Estate	1,072,930	2,209,180	3,622	-	-
Commercial Paper	207,991	128,994	3,997	-	944
International Stocks	1,194,073	2,688,554	36,551	-	-
Guaranteed Investment Contracts	-	-	-	-	-
Mutual and Money Market Funds	218,266	466,987	7,912	16,188	671
Receivables					
Employer Contributions Receivable	33,650	61,317	532	-	-
Member Contributions Receivable	17,745	38,581	169	-	-
Federal On-Behalf Contributions Receivable	-	-	-	-	-
Investment Sales Receivable	33,822	62,797	-	-	-
Accounts Receivable	33,235	69,974	1,007	47	94
Mortgages, Notes, and Loans Receivable	-	-	-	-	-
Securities Lending Collateral	754,437	1,742,858	32,092	1	933
Other Assets	-	-	-	-	-
Capital Assets, Net of Accumulated Depreciation	41,733	84,618	-	3	-
Capital Assets Not Depreciated	4,323	10,450	-	-	-
TOTAL ASSETS	**11,376,267**	**23,615,650**	**297,156**	**21,868**	**16,743**
Deferred Outflows Of Resources	**896**	**2,981**	**17**	**30**	**0**
LIABILITIES					
Warrants Payable	$ 14,327	$ 31,147	$ 512	$ 81	$ 0
Investment Purchases Payable	36,413	69,309	378	-	67
Due To Other Funds	-	-	-	3	-
Accounts Payable	1,414	2,369	18	30	-
Due To Other Governments	-	-	-	-	-
Claims Payable	-	-	-	-	-
Securities Lending Obligation	754,437	1,742,858	32,092	1	933
Unearned Revenue	-	-	-	-	-
Compensated Absences	1,544	2,936	8	94	-
Other Post-employment Benefits	4,374	4,408	39	118	-
Net Pension Liability	11,991	16,626	170	434	-
Notes and Mortgages Payable	-	-	-	-	-
TOTAL LIABILITIES	**824,500**	**1,869,653**	**33,217**	**761**	**1,000**
Deferred Inflows Of Resources	**759**	**1,247**	**82**	**25**	**0**
NET POSITION					
Restricted for Pension and Other Employee Benefits	10,551,904	21,747,731	263,874	21,112	15,743
TOTAL NET POSITION	**$ 10,551,904**	**$ 21,747,731**	**$ 263,874**	**$ 21,112**	**$ 15,743**

State Port Authority Railway Plan	State Port Authority Hourly Defined Contribution	Alabama Deferred Compensation Plan	RSA Employee Savings Plans	Retired Educ Employees' Health Care Trust	Retired State Employees' Health Care Trust	Other Pension Funds	Totals
$ 0	$ 0	$ 0	$ 1,400	$ 0	$ 0	$ 2,306	$ 84,878
211	-	-	394,339	115,062	15,998	3,315	1,517,631
46	-	-	93,923	29,064	4,251	735	407,612
115	-	-	216,532	60,716	8,039	1,815	928,903
165	814	-	503,151	578,616	76,764	138	17,805,020
290	136	21,288	591,538	168,384	22,437	5,063	6,219,013
-	-	-	-	-	-	-	3,285,732
55	-	-	37,993	22,997	3,498	250	406,719
-	-	22,497	-	105,250	16,949	-	4,063,874
-	-	242,874	-	-	-	-	242,874
39	7,349	226,484	76,243	17,456	753	675	1,039,023
-	-	-	-	-	-	-	95,499
-	-	-	-	-	-	-	56,495
-	-	-	-	49,794	-	-	49,794
-	-	-	-	3	-	-	96,622
7	-	-	11,215	36,348	25,487	88	177,502
-	-	6,438	-	-	-	-	6,438
55	-	-	128,187	78,299	20,400	1,376	2,758,638
-	-	-	-	11,116	-	-	11,116
-	-	-	-	-	-	-	126,354
-	-	-	-	-	-	-	14,773
983	**8,299**	**519,581**	**2,054,521**	**1,273,105**	**194,576**	**15,761**	**39,394,510**
0	**0**	**0**	**0**	**0**	**0**	**0**	**3,924**
$ 0	$ 0	$ 0	$ 1,400	$ 0	$ 0	$ 37	$ 47,504
4	-	-	7,246	1,982	269	61	115,729
-	-	-	-	-	-	-	3
-	-	-	-	-	10,485	1,321	15,637
-	-	-	-	1,594	-	-	1,594
-	-	-	-	36,838	14,117	-	50,955
55	-	-	128,187	78,299	20,400	1,376	2,758,638
-	-	-	-	-	47	-	47
-	-	-	-	-	-	-	4,582
-	-	-	-	-	-	-	8,939
-	-	-	-	-	-	-	29,221
-	-	-	-	-	-	1,000	1,000
59	**0**	**0**	**136,833**	**118,713**	**45,318**	**3,795**	**3,033,849**
0	**0**	**0**	**0**	**0**	**0**	**0**	**2,113**
924	8,299	519,581	1,917,688	1,154,392	149,258	11,966	36,362,472
$ 924	**$ 8,299**	**$ 519,581**	**$ 1,917,688**	**$ 1,154,392**	**$ 149,258**	**$ 11,966**	**$ 36,362,472**

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
Pension and Other Employee Benefit Trust Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Employees' Retirement System	Teachers' Retirement System	Judicial Retirement Fund	Peace Officers' Annuity and Benefits	State Port Authority Hourly Plan
ADDITIONS					
Contributions:					
Plan members	$ 229,254	$ 477,918	$ 3,683	$ 550	$ 0
Employer	410,932	737,671	15,077	3,705	1,193
Other Contributions	-	-	-	1	-
Federal On-Behalf	-	-	-	-	-
Total Contributions	640,186	1,215,589	18,760	4,256	1,193
Investment Earnings					
Investment Interest and Dividends	311,516	640,910	6,698	322	456
Net Increase (Decrease) in Fair Value of Investments	(186,154)	(381,400)	(7,695)	125	(122)
Securities Lending Income	5,353	11,512	195	-	9
Total Investment Earnings	130,715	271,022	(802)	447	343
Less:					
Investment Expense	2,925	6,413	-	23	-
Securities Lending Interest and Fees	1,454	3,147	54	-	2
Net Investment Income	126,336	261,462	(856)	424	341
Other Additions					
Interest from Mortgages and Loans Receivable	-	-	-	-	-
Miscellaneous	119	68	-	3	-
Total Other Additions	119	68	0	3	0
Total Additions	**766,641**	**1,477,119**	**17,904**	**4,683**	**1,534**
DEDUCTIONS					
Benefit Payments and Refunds	1,073,599	2,136,795	30,502	4,921	1,193
Administrative Expense	12,862	19,314	356	413	-
Total Deductions	**1,086,461**	**2,156,109**	**30,858**	**5,334**	**1,193**
Change in Net Position	**(319,820)**	**(678,990)**	**(12,954)**	**(651)**	**341**
Net Position Restricted or Held in Trust for Beneficiaries, October 1, 2014, as Restated	10,871,724	22,426,721	276,828	21,763	15,402
Net Position Restricted or Held in Trust for Beneficiaries, September 30, 2015	**$ 10,551,904**	**$ 21,747,731**	**$ 263,874**	**$ 21,112**	**$ 15,743**

State Port Authority Railway Plan	State Port Authority Hourly Defined Contribution	Alabama Deferred Compensation Plan	RSA Employee Savings Plans	Retired Educ Employees' Health Care Trust	Retired State Employees' Health Care Trust	Other Pension Funds	Totals
$ 0	$ 807	$ 39,477	$ 142,673	$ 106,776	$ 35,846	$ 24,487	$ 1,061,471
181	1,024	-	-	271,668	90,201	3,171	1,534,823
-	-	-	-	-	-	44	45
-	-	-	-	55,814	7,136	-	62,950
181	1,831	39,477	142,673	434,258	133,183	27,702	2,659,289
27	28	20,665	57,313	28,736	3,850	391	1,070,912
(5)	-	(16,179)	(21,858)	(25,372)	(3,794)	(61)	(642,515)
1	-	-	1,780	883	281	10	20,024
23	28	4,486	37,235	4,247	337	340	448,421
-	-	397	-	-	-	-	9,758
-	-	-	508	235	75	3	5,478
23	28	4,089	36,727	4,012	262	337	433,185
-	-	311	-	-	-	-	311
-	-	-	-	-	-	-	190
0	0	311	0	0	0	0	501
204	**1,859**	**43,877**	**179,400**	**438,270**	**133,445**	**28,039**	**3,092,975**
166	544	46,039	136,954	489,957	139,236	25,730	4,085,636
-	56	1,132	-	2,322	1,822	1,889	40,166
166	**600**	**47,171**	**136,954**	**492,279**	**141,058**	**27,619**	**4,125,802**
38	**1,259**	**(3,294)**	**42,446**	**(54,009)**	**(7,613)**	**420**	**(1,032,827)**
886	7,040	522,875	1,875,242	1,208,401	156,871	11,546	37,395,299
$ 924	**$ 8,299**	**$ 519,581**	**$ 1,917,688**	**$ 1,154,392**	**$ 149,258**	**$ 11,966**	**$ 36,362,472**

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PEA R.
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Private-Purpose Trust Funds

Private-Purpose Trust Funds report trust arrangements where the principal and income benefit individuals, private organizations or other governments.

Prepaid Affordable College Tuition

Accounts for the operation of a prepaid college tuition plan for the benefit of individual citizens of Alabama.

Alabama College Education Savings Plan

Accounts for the operation of an individual college tuition savings plan.

Local Education Endowments

Accounts for the proceeds of several endowments donated by private citizens for the benefit of specific local school systems.

COMBINING STATEMENT OF FIDUCIARY NET POSITION
Private-Purpose Trust Funds

September 30, 2015
(Amounts in Thousands)

	Prepaid Affordable College Tuition	Alabama College Education Savings Plan	Local Education Endowments	Totals
ASSETS				
Cash and Cash Equivalents	$ 38,440	$ 829	$ 0	$ 39,269
Investments				
U.S. Treasury Securities	36,497	-	956	37,453
U.S. Agency Securities	6,205	-	196	6,401
State and Local Government Securities	291	-	-	291
Mortgage Backed Securities	9,659	-	-	9,659
Corporate Stocks	-	-	5,259	5,259
Corporate Bonds	22,836	-	1,276	24,112
Real Estate	-	-	558	558
Mutual and Money Market Funds	6,810	1,228,605	1,089	1,236,504
Receivables				
Accounts Receivable	465	1,535	1	2,001
Securities Lending Collateral	146	-	2,080	2,226
TOTAL ASSETS	**121,349**	**1,230,969**	**11,415**	**1,363,733**
LIABILITIES				
Warrants Payable	170	-	-	170
Investment Purchases Payable	-	1,351	38	1,389
Due To Other Funds	5	-	-	5
Accounts Payable	21,571	354	-	21,925
Securities Lending Obligation	146	-	2,080	2,226
Amounts Held in Custody for Others	-	680	-	680
Compensated Absences	5	2	-	7
TOTAL LIABILITIES	**21,897**	**2,387**	**2,118**	**26,402**
NET POSITION				
Restricted or Held in Trust for Beneficiaries	99,452	1,228,582	9,297	1,337,331
TOTAL NET POSITION	**$ 99,452**	**$ 1,228,582**	**$ 9,297**	**$ 1,337,331**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Private-Purpose Trust Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Prepaid Affordable College Tuition	Alabama College Education Savings Plan	Local Education Endowments	Totals
ADDITIONS				
Contributions:				
Plan members	$ 1,725	$ 149,153	$ 0	$ 150,878
Total Contributions	1,725	149,153	0	150,878
Investment Earnings				
Investment Interest and Dividends	2,338	53,983	280	56,601
Net Increase (Decrease) in Fair Value of Investments	(1,034)	(78,497)	(561)	(80,092)
Securities Lending Income	-	-	16	16
Total Investment Earnings	1,304	(24,514)	(265)	(23,475)
Less:				
Securities Lending Interest and Fees	-	-	7	7
Net Investment Income	1,304	(24,514)	(272)	(23,482)
Other Additions				
Miscellaneous	305	-	-	305
Transfers In	23,558	-	-	23,558
Total Other Additions	23,863	0	0	23,863
Total Additions	**26,892**	**124,639**	**(272)**	**151,259**
DEDUCTIONS				
Benefit Payments and Refunds	71,341	95,238	1	166,580
Administrative Expense	784	7,825	-	8,609
Transfers Out	-	928	-	928
Total Deductions	**72,125**	**103,991**	**1**	**176,117**
Change in Net Position	**(45,233)**	**20,648**	**(273)**	**(24,858)**
Net Position Restricted or Held in Trust for Beneficiaries, October 1, 2014, as Restated	144,685	1,207,934	9,570	1,362,189
Net Position Restricted or Held in Trust for Beneficiaries, September 30, 2015	**$ 99,452**	**$ 1,228,582**	**$ 9,297**	**$ 1,337,331**

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GREAT SEAL

Agency Funds

Agency Funds report assets held by the State in a purely custodial capacity (assets equal liabilities). Agency funds typically involve the receipt, temporary investment, and remittance of resources to individuals, organizations or other governments.

State Clearing Accounts

Accounts for the collection and distribution of State taxes and licenses as well as amounts collected and held by courts for individuals.

Taxes Collected for Local Governments

Accounts for local taxes which are collected by the State as a service for local governments. These taxes do not represent future revenues of the State.

Payroll

Accounts for amounts withheld from employees that are not yet distributed to outside organizations or governments.

Other Agency Funds

Are aggregated for financial reporting purposes and represent amounts held for child support payments, cash bonds, and numerous other amounts held for individuals and organizations outside of State government.

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
Agency Funds

September 30, 2015
(Amounts in Thousands)

	State Clearing Accounts	Taxes Collected for Local Governments	Payroll	Other Agency Funds	Totals
ASSETS					
Cash and Cash Equivalents	$ 218,818	$ 8,089	$ 2,603	$ 95,707	$ 325,217
Investments	-	-	-	48,471	48,471
Accounts Receivable	17	-	7	1,603	1,627
Securities Lending Collateral	143	31	10	342	526
TOTAL ASSETS	**$ 218,978**	**$ 8,120**	**$ 2,620**	**$ 146,123**	**$ 375,841**
LIABILITIES					
Warrants Payable	$ 22,082	$ 113	$ 2,142	$ 865	$ 25,202
Accounts Payable	95	-	6	220	321
Due To Other Governments	618	7,976	-	219	8,813
Securities Lending Obligation	143	31	10	342	526
Amounts Held in Custody for Others	196,040	-	462	144,477	340,979
TOTAL LIABILITIES	**$ 218,978**	**$ 8,120**	**$ 2,620**	**$ 146,123**	**$ 375,841**

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COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
Agency Funds

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Balance October 1, 2014	Additions	Reductions	Balance September 30, 2015
STATE CLEARING ACCOUNTS				
ASSETS				
Cash and Cash Equivalents	$ 209,121	$ 19,581,998	$ 19,572,301	$ 218,818
Due From Other Funds	2	4,717	4,719	-
Accounts Receivable	6	19	8	17
Taxes Receivable	-	555,051	555,051	-
Securities Lending Collateral	775	143	775	143
TOTAL ASSETS	**$ 209,904**	**$ 20,141,928**	**$ 20,132,854**	**$ 218,978**
LIABILITIES				
Warrants Payable	$ 10,548	$ 769,459	$ 757,925	$ 22,082
Due to Other Funds	-	899,274	899,274	-
Accounts Payable	3	37,345	37,253	95
Tax Refunds Payable	-	137,062	137,062	-
Due To Other Governments	640	7,423	7,445	618
Securities Lending Obligation	775	143	775	143
Amounts Held Pending Distribution	-	40,192,155	40,192,155	-
Unearned Revenue	-	8,451	8,451	-
Amounts Held in Custody for Others	197,939	469,285	471,184	196,040
TOTAL LIABILITIES	**$ 209,905**	**$ 42,520,597**	**$ 42,511,524**	**$ 218,978**
TAXES COLLECTED FOR LOCAL GOVTS				
ASSETS				
Cash and Cash Equivalents	$ 5,150	$ 358,831	$ 355,892	$ 8,089
Securities Lending Collateral	111	31	111	31
TOTAL ASSETS	**$ 5,261**	**$ 358,862**	**$ 356,003**	**$ 8,120**
LIABILITIES				
Warrants Payable	$ 159	$ 347,963	$ 348,009	$ 113
Accounts Payable	-	12,818	12,818	-
Due To Other Governments	4,991	358,369	355,384	7,976
Securities Lending Obligation	111	31	111	31
Amounts Held Pending Distribution	-	710	710	-
TOTAL LIABILITIES	**$ 5,261**	**$ 719,891**	**$ 717,032**	**$ 8,120**
PAYROLL				
ASSETS				
Cash and Cash Equivalents	$ 2,238	$ 2,280,153	$ 2,279,788	$ 2,603
Due From Other Funds	-	180	180	-
Accounts Receivable	-	13	6	7
Securities Lending Collateral	48	10	48	10
TOTAL ASSETS	**$ 2,286**	**$ 2,280,356**	**$ 2,280,022**	**$ 2,620**
LIABILITIES				
Warrants Payable	$ 1,745	$ 1,808,055	$ 1,807,658	$ 2,142
Due To Other Funds	-	108	108	-
Accounts Payable	-	755,478	755,472	6
Securities Lending Obligation	48	10	48	10
Amounts Held Pending Distribution	-	698,264	698,264	-
Amounts Held in Custody for Others	493	529,323	529,354	462
TOTAL LIABILITIES	**$ 2,286**	**$ 3,791,238**	**$ 3,790,904**	**$ 2,620**

	Balance October 1, 2014	Additions	Reductions	Balance September 30, 2015
OTHER AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 62,361	$ 861,035	$ 827,689	$ 95,707
Investments	52,616	2,195	6,340	48,471
Due From Other Funds	3	5	8	-
Accounts Receivable	3	1,932	332	1,603
Due From Other Governments	914	-	914	-
Securities Lending Collateral	1,183	342	1,183	342
TOTAL ASSETS	**$ 117,080**	**$ 865,509**	**$ 836,466**	**$ 146,123**
LIABILITIES				
Warrants Payable	$ 438	$ 386,508	$ 386,081	$ 865
Due To Other Funds	-	1	1	-
Accounts Payable	241	20,963	20,984	220
Due To Other Governments	382	677	840	219
Securities Lending Obligation	1,183	342	1,183	342
Amounts Held Pending Distribution	-	448	448	-
Amounts Held in Custody for Others	114,835	860,962	831,320	144,477
TOTAL LIABILITIES	**$ 117,079**	**$ 1,269,901**	**$ 1,240,857**	**$ 146,123**
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	$ 278,870	$ 23,082,017	$ 23,035,670	$ 325,217
Investments	52,616	2,195	6,340	48,471
Due From Other Funds	5	4,902	4,907	-
Accounts Receivable	9	1,964	346	1,627
Taxes Receivable	-	555,051	555,051	-
Due From Other Governments	914	-	914	-
Securities Lending Collateral	2,117	526	2,117	526
TOTAL ASSETS	**$ 334,531**	**$ 23,646,655**	**$ 23,605,345**	**$ 375,841**
LIABILITIES				
Warrants Payable	$ 12,890	$ 3,311,985	$ 3,299,673	$ 25,202
Due to Other Funds	-	899,383	899,383	-
Accounts Payable	244	826,604	826,527	321
Tax Refunds Payable	-	137,062	137,062	-
Due To Other Governments	6,013	366,469	363,669	8,813
Securities Lending Obligation	2,117	526	2,117	526
Amounts Held Pending Distribution	-	40,891,577	40,891,577	-
Unearned Revenue	-	8,451	8,451	-
Amounts Held in Custody for Others	313,267	1,859,570	1,831,858	340,979
TOTAL LIABILITIES	**$ 334,531**	**$ 48,301,627**	**$ 48,260,317**	**$ 375,841**

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Nonmajor Component Units

Water Pollution Control Authority

Issues revolving loan bonds and lends the proceeds to eligible municipalities at below market interest rates for the construction of wastewater treatment and collection facilities.

Drinking Water Finance Authority

Issues revolving loan bonds and lends the bond proceeds to local governments at below market rates for the construction of drinking water treatment and distribution facilities.

Troy University

Reports the operations and balances of the University.

Alabama State University

Reports the operations and balances of the University.

Alabama Agricultural and Mechanical University

Reports the operations and balances of the University.

Jacksonville State University

Reports the operations and balances of the University.

University of North Alabama

Reports the operations and balances of the University.

University of Montevallo

Reports the operations and balances of the University.

University of West Alabama

Reports the operations and balances of the University.

Historical Commission

Preserves and maintains buildings, objects, and sites of historical significance.

Space Science Exhibit Commission

Operates the U.S. Space and Rocket Center and the U.S. Space Camp.

Other Nonmajor Component Units

Combined totals of other nonmajor component units, which are reported in more detail later in this report.

COMBINING STATEMENT OF NET POSITION
Nonmajor Component Units

September 30, 2015
(Amounts in Thousands)

	Water Pollution Control Authority	Drinking Water Finance Authority	Troy University	Alabama State University	Alabama Agricultural and Mechanical University
ASSETS					
Cash and Cash Equivalents	$ 641	$ 242	$ 140,430	$ 23,314	$ 31,765
Investments	220,897	112,010	82,047	81,572	48,807
Due From Primary Government	5,291	71	-	-	-
Accounts Receivable	2,040	909	46,276	18,393	17,975
Due From Other Governments	382,246	185,689	-	3,449	-
Mortgages, Notes, and Loans Receivable	-	-	2,141	-	18,111
Securities Lending Collateral	2	1	-	-	-
Inventory	-	-	81	8	-
Restricted Assets	-	-	-	-	-
Other Assets	1,790	3,572	1,921	170	8,864
Capital Assets, Net of Accumulated Depreciation	80	15	286,760	277,131	112,354
Capital Assets Not Depreciated	-	-	26,378	21,737	10,882
TOTAL ASSETS	**612,987**	**302,509**	**586,034**	**425,774**	**248,758**
DEFERRED OUTFLOWS OF RESOURCES	**1,827**	**1,752**	**11,233**	**15,317**	**8,856**
LIABILITIES					
Warrants Payable	-	3	-	-	-
Investment Purchases Payable	-	-	-	-	-
Due To Primary Government	1,199	825	-	-	-
Accounts Payable	760	344	11,860	15,490	15,131
Due To Other Governments	72,312	24,413	-	-	-
Securities Lending Obligation	2	1	-	-	-
Unearned Revenue	-	-	36,332	16,827	38,267
Amounts Held in Custody for Others	55	-	5,310	-	4,705
Noncurrent Liabilities:					
Due Within One Year	18,415	4,240	6,261	7,532	4,896
Due In More Than One Year	87,121	56,212	285,730	292,389	140,192
TOTAL LIABILITIES	**179,864**	**86,038**	**345,493**	**332,238**	**203,191**
DEFERRED INFLOWS OF RESOURCES	**0**	**0**	**11,937**	**5,519**	**5,098**
NET POSITION					
Net Investment in Capital Assets	80	15	163,991	83,164	64,592
Restricted for:					
Permanent - Expendable	-	-	37,127	686	12,148
Permanent - Non-expendable	-	-	18,218	54,515	32,917
Education	-	-	-	-	-
Debt Service	410,417	203,723	-	-	-
Capital Projects	-	-	-	-	-
Other Purposes	-	-	526	32,721	640
Unrestricted	24,453	14,485	19,975	(67,752)	(60,972)
TOTAL NET POSITION	**$ 434,950**	**$ 218,223**	**$ 239,837**	**$ 103,334**	**$ 49,325**

Jacksonville State University	University of North Alabama	University of Montevallo	University of West Alabama	Historical Commission	Space Science Exhibit Commission	Other Nonmajor Component Units	Totals
$ 64,905	$ 40,378	$ 13,241	$ 19,551	$ 2,667	$ 137	$ 55,089	$ 392,360
42,254	43,755	63,345	7,846	12,015	99	29,504	744,151
-	-	-	-	27	-	661	6,050
15,266	10,532	4,019	6,990	79	999	14,096	137,574
-	-	-	-	-	-	1,573	572,957
459	4,018	284	242	-	-	1,414	26,669
-	-	-	-	698	-	32	733
-	40	-	943	319	606	6,906	8,903
-	-	1,894	-	-	131	-	2,025
140	8,816	4,819	-	-	581	743	31,416
95,972	112,263	51,923	38,656	288	41,120	86,741	1,103,303
7,298	33,512	1,501	20,692	82,424	8,195	21,955	234,574
226,294	**253,314**	**141,026**	**94,920**	**98,517**	**51,868**	**218,714**	**3,260,715**
6,655	**5,664**	**3,881**	**3,647**	**292**	**943**	**11,614**	**71,681**
-	-	-	-	50	-	25	78
-	-	-	-	37	-	-	37
-	-	-	-	30	-	276	2,330
7,752	9,032	6,443	2,287	508	3,006	6,698	79,311
-	-	498	-	27	-	40	97,290
-	-	-	-	698	-	32	733
20,469	24,390	13,766	8,453	-	1,483	6,661	166,648
3,251	638	462	208	-	-	330	14,959
4,123	1,142	2,145	1,180	38	1,047	4,172	55,191
137,316	134,015	60,742	83,836	7,687	17,874	107,594	1,410,708
172,911	**169,217**	**84,056**	**95,964**	**9,075**	**23,410**	**125,828**	**1,827,285**
5,011	**4,216**	**2,593**	**2,350**	**311**	**434**	**7,201**	**44,670**
31,327	68,759	27,148	15,069	82,712	38,751	93,287	668,895
29,264	14,011	15,161	-	-	-	3,544	111,941
11,965	27,820	19,689	423	11,168	-	4,282	180,997
-	-	-	-	-	-	3,084	3,084
6,130	-	-	-	-	-	-	620,270
-	5,389	-	-	-	-	28	5,417
2,654	485	-	-	-	339	2,000	39,365
(26,313)	(30,919)	(3,740)	(15,239)	(4,457)	(10,123)	(8,926)	(169,528)
$ 55,027	**$ 85,545**	**$ 58,258**	**$ 253**	**$ 89,423**	**$ 28,967**	**$ 97,299**	**$ 1,460,441**

COMBINING STATEMENT OF ACTIVITIES
Nonmajor Component Units

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Water Pollution Control Authority	Drinking Water Finance Authority	Troy University	Alabama State University	Alabama Agricultural and Mechanical University
Expenses	**$ 10,562**	**$ 11,852**	**$ 247,092**	**$ 146,090**	**$ 149,871**
Program Revenues					
Charges for Services	2,682	1,526	148,713	60,887	61,056
Operating Grants and Contributions	15,294	16,371	53,200	33,915	45,524
Capital Grants and Contributions	-	-	764	48	-
Total Program Revenues	**17,976**	**17,897**	**202,677**	**94,850**	**106,580**
Net (Expense) Revenue	**7,414**	**6,045**	**(44,415)**	**(51,240)**	**(43,291)**
General Revenues:					
Payments from State of Alabama	2,648	-	45,868	41,881	37,815
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	-
Unrestricted Investment Earnings	14,337	8,441	154	4,296	9
Miscellaneous	-	-	5,431	-	10,071
Contributions to Permanent Funds and Endowments	-	-	-	-	-
Total General Revenues and Contributions	**16,985**	**8,441**	**51,453**	**46,177**	**47,895**
Change in Net Position	**24,399**	**14,486**	**7,038**	**(5,063)**	**4,604**
Net Position, October 1, 2014, as Restated	410,551	203,737	232,799	108,397	44,721
Net Position, September 30, 2015	**$ 434,950**	**$ 218,223**	**$ 239,837**	**$ 103,334**	**$ 49,325**

Jacksonville State University	University of North Alabama	University of Montevallo	University of West Alabama	Historical Commission	Space Science Exhibit Commission	Other Nonmajor Component Units	Totals
$ 122,922	**$ 99,878**	**$ 64,426**	**$ 62,336**	**$ 6,005**	**$ 28,761**	**$ 162,826**	**$ 1,112,621**
60,555	52,819	35,825	31,264	1,163	26,543	60,397	543,430
25,527	22,874	10,857	8,903	915	21	32,132	265,533
-	2,577	408	-	376	619	734	5,526
86,082	**78,270**	**47,090**	**40,167**	**2,454**	**27,183**	**93,263**	**814,489**
(36,840)	**(21,608)**	**(17,336)**	**(22,169)**	**(3,551)**	**(1,578)**	**(69,563)**	**(298,132)**
36,204	26,351	18,201	13,894	3,605	1,618	73,657	301,742
-	-	-	-	-	-	64	64
1,274	(818)	262	17	200	1	(52)	28,121
7	674	-	2,808	5	-	488	19,484
-	282	-	-	-	-	-	282
37,485	**26,489**	**18,463**	**16,719**	**3,810**	**1,619**	**74,157**	**349,693**
645	**4,881**	**1,127**	**(5,450)**	**259**	**41**	**4,594**	**51,561**
54,382	80,664	57,131	5,703	89,164	28,926	92,705	1,408,880
$ 55,027	**$ 85,545**	**$ 58,258**	**$ 253**	**$ 89,423**	**$ 28,967**	**$ 97,299**	**$ 1,460,441**

COMBINING STATEMENT OF NET POSITION
Other Nonmajor Component Units

September 30, 2015
(Amounts in Thousands)

	Alabama Institute for the Deaf and Blind	Athens State University	Marine Environmental Sciences Consortium	Crime Victims Compensation Commission	Supercomputer Authority
ASSETS					
Cash and Cash Equivalents	$ 18,479	$ 14,376	$ 1,772	$ 5,483	$ 8,065
Investments	13,288	8,784	-	4,688	-
Due From Primary Government	-	-	-	-	411
Accounts Receivable	6,578	1,675	4,450	-	-
Due From Other Governments	-	1,050	-	-	-
Mortgages, Notes, and Loans Receivable	5	-	-	-	-
Securities Lending Collateral	-	-	-	-	31
Inventory	6,462	34	143	-	-
Other Assets	213	395	-	-	14
Capital Assets, Net of Accumulated Depreciation	27,175	34,491	10,913	1,111	2,067
Capital Assets Not Depreciated	3,559	7,639	1,937	-	-
TOTAL ASSETS	**75,759**	**68,444**	**19,215**	**11,282**	**10,588**
DEFERRED OUTFLOWS OF RESOURCES	**8,695**	**1,748**	**569**	**163**	**105**
LIABILITIES					
Warrants Payable	-	-	-	-	24
Due To Primary Government	-	-	-	22	4
Accounts Payable	374	2,817	54	157	2,920
Due To Other Governments	-	-	-	-	40
Securities Lending Obligation	-	-	-	-	31
Unearned Revenue	529	4,539	1,593	-	-
Amounts Held in Custody for Others	189	-	141	-	-
Noncurrent Liabilities:					
Due Within One Year	1,120	1,119	209	1,616	13
Due In More Than One Year	50,350	39,498	8,280	3,205	1,800
TOTAL LIABILITIES	**52,562**	**47,973**	**10,277**	**5,000**	**4,832**
DEFERRED INFLOWS OF RESOURCES	**3,702**	**2,596**	**457**	**136**	**83**
NET POSITION					
Net Investment in Capital Assets	29,708	28,074	12,850	1,111	2,067
Restricted for:					
Permanent - Expendable	3,544	-	-	-	-
Permanent - Non-expendable	4,282	-	-	-	-
Education	-	3,084	-	-	-
Capital Projects	-	-	28	-	-
Other Purposes	-	495	1,505	-	-
Unrestricted	(9,344)	(12,030)	(5,333)	5,198	3,711
TOTAL NET POSITION	**$ 28,190**	**$ 19,623**	**$ 9,050**	**$ 6,309**	**$ 5,778**

U.S.S. Alabama Battleship Commission	Historic Ironworks Commission	Red Mountain Recreation Commission	Miscellaneous Component Units	Totals
$ 4,867	$ 247	$ 497	$ 1,303	$ 55,089
1,576	-	-	1,168	29,504
-	-	-	250	661
20	-	1,373	-	14,096
-	-	-	523	1,573
-	-	-	1,409	1,414
-	-	-	1	32
244	23	-	-	6,906
55	-	66	-	743
7,466	1,998	1,421	99	86,741
255	1,035	7,369	161	21,955
14,483	**3,303**	**10,726**	**4,914**	**218,714**
127	**85**	**85**	**37**	**11,614**
-	-	-	1	25
-	-	-	250	276
237	96	21	22	6,698
-	-	-	-	40
-	-	-	1	32
-	-	-	-	6,661
-	-	-	-	330
-	27	67	1	4,172
1,618	1,626	828	389	107,594
1,855	**1,749**	**916**	**664**	**125,828**
130	**36**	**39**	**22**	**7,201**
7,721	2,710	8,786	260	93,287
-	-	-	-	3,544
-	-	-	-	4,282
-	-	-	-	3,084
-	-	-	-	28
-	-	-	-	2,000
4,904	(1,107)	1,070	4,005	(8,926)
$ 12,625	**$ 1,603**	**$ 9,856**	**$ 4,265**	**$ 97,299**

COMBINING STATEMENT OF ACTIVITIES
Other Nonmajor Component Units

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Alabama Institute for the Deaf and Blind	Athens State University	Marine Environmental Sciences Consortium	Crime Victims Compensation Commission	Supercomputer Authority
Expenses	**$ 83,538**	**$ 32,670**	**$ 13,959**	**$ 5,053**	**$ 16,553**
Program Revenues					
Charges for Services	24,674	15,432	2,709	3,306	6,219
Operating Grants and Contributions	11,378	9,733	8,493	1,146	3
Capital Grants and Contributions	535	-	-	-	-
Total Program Revenues	**36,587**	**25,165**	**11,202**	**4,452**	**6,222**
Net (Expense) Revenue	**(46,951)**	**(7,505)**	**(2,757)**	**(601)**	**(10,331)**
General Revenues:					
Payments from State of Alabama	49,215	11,344	3,929	100	8,819
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	-
Unrestricted Investment Earnings	(33)	(85)	2	-	-
Miscellaneous	474	-	-	-	(5)
Total General Revenues	**49,656**	**11,259**	**3,931**	**100**	**8,814**
Change in Net Position	**2,705**	**3,754**	**1,174**	**(501)**	**(1,517)**
Net Position, October 1, 2014, as Restated	25,485	15,869	7,876	6,810	7,295
Net Position, September 30, 2015	**$ 28,190**	**$ 19,623**	**$ 9,050**	**$ 6,309**	**$ 5,778**

U.S.S. Alabama Battleship Commission	Historic Ironworks Commission	Red Mountain Recreation Commission	Miscellaneous Component Units	Totals
$ 5,381	**$ 1,861**	**$ 2,831**	**$ 980**	**$ 162,826**
5,524	1,675	534	324	60,397
15	184	1,060	120	32,132
-	-	-	199	734
5,539	**1,859**	**1,594**	**643**	**93,263**
158	**(2)**	**(1,237)**	**(337)**	**(69,563)**
-	-	-	250	73,657
-	-	64	-	64
-	-	27	37	(52)
-	-	-	19	488
0	**0**	**91**	**306**	**74,157**
158	**(2)**	**(1,146)**	**(31)**	**4,594**
12,467	1,605	11,002	4,296	92,705
$ 12,625	**$ 1,603**	**$ 9,856**	**$ 4,265**	**$ 97,299**

ALABAMA
TENNESSEE
TENNESSEE RIVER
RIVER
RIVER
BLACK WARRIOR
COOSA
ALLAPOOSA
CHATTAHOOCHEE RIVER
MISSISSIPPI
TOMBIGBEE RIVER
ALABAMA
CONECUH R.
PEA R.
GEORGIA
FLORIDA
Gulf of Mexico
GREAT SEAL

Supplemental Statements and Schedules

Supplemental Statements and Schedules presents schedules and statements which bring together information spread throughout the statements, presents information in greater detail, or presents information that demonstrates legal compliance.

SCHEDULE OF FEDERAL REVENUES BY AGENCY
All Funds and Component Units, Excluding Amounts Received Directly by Higher Education

For the Fiscal Year Ended September 30, 2015
(Amounts in Thousands)

	Amount
Administrative Office of Courts	$ 1,238
Agriculture and Industries	4,859
Alabama Community College System	10,264
Alcoholic Beverage Control Board	34
Attorney General	1,243
Battleship Commission	8
Child Abuse and Neglect Prevention Board	2,932
Commission On Higher Education	1,002
Conservation and Natural Resources	42,413
Corrections	330
Council on the Arts	742
Crime Victims Compensation Commission	1,140
Criminal Justice Information Center	1,500
Department of Commerce	9,937
Drinking Water Finance Authority	16,370
Early Childhood Education	12,589
Economic and Community Affairs	172,337
Education	915,023
Emergency Management	44,687
Environmental Management	18,215
Finance Special Funds	1,689
Forensic Sciences	1,350
Forestry Commission	4,897
Geological Survey	514
High School of Math and Science	295
Historical Commission	877
Housing Finance Authority	17,605
Human Resources	1,671,384
Labor Department	58,945
Law Enforcement Agency	17,729
Manufactured Housing Commission	257
Medicaid	4,168,125
Mental Health	24,920
Military	59,859
Office of Prosecution Services	443
Pardons and Paroles	20
Public Health	397,068
Public Library Service	2,132
Public School and College Authority	5,570
Public Service Commission	529
Rehabilitation Services	68,317
Retired State Employees Health Care Trust	7,068
School of Fine Arts	73
Senior Services	23,851
Serve Alabama	2,451
Soil and Water Conservation Commission	285
State Port Authority	4,196
Surface Mining Commission	1,228
Transportation	877,053
Veterans Affairs	32,323
Water Pollution Control Authority	15,295
Total Federal Revenues	**$ 8,723,211**

This part of the State of Alabama's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends **Page 280**

These schedules contain trend information to help the reader understand how the State's financial performance has changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

Revenue Capacity **Page 290**

These schedules contain information to help the reader assess the factors affecting the State's ability to generate its individual income tax and corporate income tax.

- Major Revenue Base
- Revenue Rates
- Principal Revenue Payers

Debt Capacity **Page 298**

These schedules present information that helps the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.

- Ratios of Outstanding Debt
- Ratios of General Bonded Debt Outstanding
- Debt Limitations
- Pledged Revenue Coverage

Demographic and Economic Information **Page 306**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

- Labor Force Statistics
- Population/Per Capita Personal Income Statistics
- Top Ten Employers in Alabama

Operating Information **Page 310**

These schedules contain service and infrastructure data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.

- State Government Employment by Function
- Indicators of Demand or Level of Service
- Indicators of Volume, Usage and Nature of Capital Assets

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.
Note: The number of years presented on each schedule varies according to available data.

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(Amounts in Thousands)

	2015	2014	2013	2012	2011
Governmental Activities					
Net Investment in Capital Assets	$ 20,274,848	$ 20,120,675	$ 20,042,353	$ 19,639,559	$ 19,097,235
Restricted	7,088,022	6,778,290	6,925,550	6,034,129	5,380,091
Unrestricted	(7,859,733)	(7,385,096)	(4,816,904)	(4,472,168)	(1,514,401)
Total Governmental Activities Net Position	**19,503,137**	**19,513,869**	**22,150,999**	**21,201,520**	**22,962,925**
Business-type Activities					
Net Investment in Capital Assets	980,145	935,875	862,998	879,370	820,675
Restricted	525,088	358,095	704,026	542,740	465,495
Unrestricted	(82,080)	(16,103)	67,808	68,075	27,462
Total Business-type Activities Net Position	**1,423,153**	**1,277,867**	**1,634,832**	**1,490,185**	**1,313,632**
Primary government					
Net Investment in Capital Assets	21,254,993	21,056,550	20,905,351	20,518,929	19,917,910
Restricted	7,613,110	7,136,385	7,629,576	6,576,869	5,845,586
Unrestricted	(7,941,813)	(7,401,199)	(4,749,096)	(4,404,093)	(1,486,939)
Total Primary Government Net Position	**$ 20,926,290**	**$ 20,791,736**	**$ 23,785,831**	**$ 22,691,705**	**$ 24,276,557**

GASB Statement 61 redefined the reporting entity in 2013. 2012 was restated but it was not practical to restate years prior to 2012. GASB 68 added pension liabilities in 2015. Only 2014 fund balance/net assets was restated for GASB 68.

2010	2009	2008	2007	2006
$ 18,558,776	$ 18,182,385	$ 17,609,211	$ 16,971,931	$ 16,360,753
4,795,170	4,448,305	4,624,715	6,020,208	5,853,605
(766,179)	(650,306)	(318,815)	(196,547)	115,382
22,587,767	**21,980,383**	**21,915,111**	**22,795,593**	**22,329,740**
854,511	846,835	754,001	710,686	643,742
102,653	92,353	479,549	513,546	503,024
233,449	334,859	429,274	368,210	334,102
1,190,613	**1,274,048**	**1,662,824**	**1,592,441**	**1,480,868**
19,413,287	19,029,220	18,363,212	17,682,617	17,004,495
4,897,823	4,540,658	5,104,264	6,533,754	6,356,629
(532,730)	(315,447)	110,459	171,663	449,484
$ 23,778,380	**$ 23,254,431**	**$ 23,577,935**	**$ 24,388,034**	**$ 23,810,608**

CHANGES IN NET POSITION

Last Ten Fiscal Years

(Amounts in Thousands)

	2015	2014	2013	2012	2011
Expenses					
Governmental Activities					
Economic Development and Regulation	$ 148,267	$ 117,497	$ 121,933	$ 99,743	$ 193,900
Education and Cultural Resources	6,630,078	6,502,828	6,341,871	6,194,484	6,735,109
Natural Resources and Recreation	219,824	158,043	124,387	143,111	134,591
Health	6,820,152	6,543,218	6,427,303	6,407,799	6,085,907
Social Services	2,425,046	2,398,743	2,448,759	2,441,385	2,580,186
Protection of Persons and Property	1,208,686	1,165,601	1,079,644	1,146,584	1,075,191
Transportation	1,475,669	1,454,028	1,319,431	1,197,030	1,186,100
General Government	905,510	895,477	965,564	915,827	1,008,339
Debt Service - Interest and Other Charges	155,102	160,847	181,209	154,425	48,631
Total Governmental Activities Expenses	**19,988,334**	**19,396,282**	**19,010,101**	**18,700,388**	**19,047,954**
Business-type Activities					
Unemployment Compensation	210,464	291,417	458,063	701,971	1,007,325
State Port Authority	141,087	142,757	136,904	133,570	128,100
Alabama Community College System	747,236	757,293	772,150	773,666	859,258
Alcoholic Beverage Control Board	298,212	289,347	282,840	274,718	266,472
Nonmajor Proprietary Funds	67,639	84,418	122,838	91,107	94,015
Total Business-type Activities Expenses	**1,464,638**	**1,565,232**	**1,772,795**	**1,975,032**	**2,355,170**
Total Primary Government Expenses	**21,452,972**	**20,961,514**	**20,782,896**	**20,675,420**	**21,403,124**
Program Revenues					
Governmental Activities					
Charges for Services:					
Economic Development and Regulation	137,912	131,404	174,341	181,360	35,782
Education and Cultural Resources	49,952	51,316	60,134	36,264	43,110
Natural Resources and Recreation	71,728	84,298	74,903	74,790	86,968
Health	405,979	355,442	313,897	388,944	349,863
Social Services	67,290	65,950	49,591	51,379	48,210
Protection of Persons and Property	287,174	276,993	225,468	233,979	232,056
Transportation	185,774	180,079	172,753	180,278	174,375
General Government	180,679	246,314	175,615	207,517	217,181
Operating Grants and Contributions	8,369,079	8,071,538	8,061,784	8,212,505	8,985,884
Capital Grants and Contributions	1,021,107	966,966	976,217	864,113	936,928
Total Governmental Activities Program Revenues	**10,776,674**	**10,430,300**	**10,284,703**	**10,431,129**	**11,110,357**
Business-type Activities					
Charges for Services:					
Unemployment Compensation	325,561	359,914	434,928	474,633	546,618
State Port Authority	144,391	162,617	149,275	143,644	120,248
Alabama Community College System	169,718	168,535	180,608	163,235	188,877
Alcoholic Beverage Control Board	304,658	296,337	280,295	276,879	265,184
Nonmajor Proprietary Funds	89,475	95,218	102,916	99,350	85,437
Operating Grants and Contributions	255,766	336,172	473,220	713,385	985,767
Capital Grants and Contributions	9,037	17,863	6,398	6,469	12,354
Total Business-type Activities Program Revenues	**1,298,606**	**1,436,656**	**1,627,640**	**1,877,595**	**2,204,485**
Total Primary Government Program Revenues	**$ 12,075,280**	**$ 11,866,956**	**$ 11,912,343**	**$ 12,308,724**	**$ 13,314,842**

GASB Statement 61 redefined the reporting entity in 2013. 2012 was restated but it was not practical to restate years prior to 2012. GASB 68 added pension liabilities in 2015. Only 2014 fund balance/net assets was restated for GASB 68.

2010	2009	2008	2007	2006
$ 228,957	$ 306,533	$ 410,911	$ 335,373	$ 215,950
6,434,122	6,393,573	7,197,095	6,680,377	5,764,988
148,043	113,621	131,327	131,688	145,414
6,143,061	5,555,138	5,316,763	5,361,666	4,823,686
2,369,709	1,977,390	1,753,526	1,678,091	1,627,951
1,146,961	1,112,213	1,095,652	1,014,248	1,032,088
1,248,882	1,120,902	1,067,671	997,376	1,025,928
1,037,582	949,493	990,432	887,576	790,214
47,829	51,184	57,253	43,508	42,672
18,805,146	**17,580,047**	**18,020,630**	**17,129,903**	**15,468,891**
1,323,058	1,005,780	330,068	248,448	232,447
133,534	150,073	127,200	115,714	89,939
897,134	829,039	812,195	745,122	683,618
254,001	253,312	249,389	230,370	215,832
73,380	79,297	77,189	84,115	78,382
2,681,107	**2,317,501**	**1,596,041**	**1,423,769**	**1,300,218**
21,486,253	**19,897,548**	**19,616,671**	**18,553,672**	**16,769,109**
44,888	50,219	139,257	129,173	120,178
42,653	46,835	43,018	36,739	13,881
80,956	86,470	90,851	68,641	67,126
305,624	353,893	329,533	333,592	270,428
47,401	46,275	27,163	26,309	24,038
229,268	256,596	257,968	219,999	203,535
196,398	196,137	184,262	196,902	191,625
219,982	271,790	449,333	351,389	464,057
9,148,048	7,609,718	6,670,099	6,617,849	6,612,934
927,443	812,481	874,111	719,041	801,902
11,242,661	**9,730,414**	**9,065,595**	**8,699,634**	**8,769,704**
411,147	230,729	247,862	248,987	283,774
119,414	105,174	136,835	113,233	93,200
183,247	162,567	154,798	166,961	158,348
252,647	251,199	252,265	239,852	219,433
81,939	82,318	80,140	80,354	79,578
1,176,837	666,931	305,339	270,897	277,667
31,809	49,654	13,717	19,413	45,053
2,257,040	**1,548,572**	**1,190,956**	**1,139,697**	**1,157,053**
$ 13,499,701	**$ 11,278,986**	**$ 10,256,551**	**$ 9,839,331**	**$ 9,926,757**

Continued on next page...

CHANGES IN NET POSITION (Continued from previous page)

Last Ten Fiscal Years

(Amounts in Thousands)

	2015	2014	2013	2012	2011
Net (Expense)/Revenue					
Governmental Activities	$ (9,211,660)	$ (8,965,982)	$ (8,725,398)	$ (8,269,259)	$ (7,937,597)
Business Activities	(166,032)	(128,576)	(145,155)	(97,437)	(150,685)
Total Primary Government Net (Expense) Revenue	**(9,377,692)**	**(9,094,558)**	**(8,870,553)**	**(8,366,696)**	**(8,088,282)**
General Revenues and Other Changes in Net Position					
Governmental Activities					
Sales and Use Taxes	2,489,460	2,398,362	2,343,322	2,280,723	2,187,852
Income Taxes	3,859,889	3,637,582	3,515,081	3,331,987	3,138,756
Motor Fuels Taxes	559,890	545,976	541,603	540,666	547,720
Utility Taxes	631,305	640,104	621,684	598,533	671,347
Insurance Premium Tax	313,316	306,359	297,072	278,196	263,428
Property Tax	349,450	334,275	326,255	324,751	315,389
Liquor Taxes	179,278	171,297	163,026	161,447	156,689
Tobacco and Cigarette Taxes	129,702	126,103	128,714	132,567	136,702
Grants and Contributions Not Restricted to Specific Programs	4,159	9,096	10,421	9,140	9,093
Unrestricted Investment Earnings	22,235	208,608	213,988	292,612	114,227
Miscellaneous	1,107,074	1,119,266	1,097,897	1,105,929	1,021,019
Transfers	(292,199)	(254,652)	(259,085)	(276,228)	(300,368)
Total Governmental Activities	**9,353,559**	**9,242,376**	**8,999,978**	**8,780,323**	**8,261,854**
Business-type Activities					
Liquor Taxes	13,996	11,823	11,864	11,832	11,065
Miscellaneous	5,120	9,500	17,625	14,560	12,711
Contributions to Permanent Funds and Endowments	4	11	82	40	462
Special Items	-	-	-	-	-
Transfers	292,199	254,652	259,085	276,228	300,368
Total Business-type Activities	**311,319**	**275,986**	**288,656**	**302,660**	**324,606**
Total Primary Government General Revenues and Other Charges	**9,664,878**	**9,518,362**	**9,288,634**	**9,082,983**	**8,586,460**
Change in Net Position					
Governmental Activities	141,899	276,394	274,580	511,064	324,257
Business-type Activities	145,287	147,410	143,501	205,223	173,921
Total Primary Government Change in Net Position	**$ 287,186**	**$ 423,804**	**$ 418,081**	**$ 716,287**	**$ 498,178**

GASB Statement 61 redefined the reporting entity in 2013. 2012 was restated but it was not practical to restate years prior to 2012. GASB 68 added pension liabilities in 2015. Only 2014 fund balance/net assets was restated for GASB 68.

2010	2009	2008	2007	2006
$ (7,562,484)	$ (7,849,633)	$ (8,955,035)	$ (8,430,269)	$ (6,699,187)
(424,068)	(768,929)	(405,085)	(284,072)	(143,165)
(7,986,552)	**(8,618,562)**	**(9,360,120)**	**(8,714,341)**	**(6,842,352)**
2,108,834	2,079,718	2,261,452	2,432,286	2,110,577
3,025,877	3,108,459	3,512,255	3,446,018	3,172,117
551,210	542,887	550,811	569,369	568,880
684,437	697,141	667,573	656,027	601,473
263,243	267,726	292,866	278,139	275,230
315,321	320,603	314,379	301,158	267,062
156,098	155,592	136,125	163,161	147,651
136,311	140,016	143,836	156,700	152,751
40,323	785	-	-	-
283,425	205,111	(181,318)	443,575	222,779
932,347	754,619	828,616	830,817	821,942
(274,800)	(357,623)	(444,314)	(379,209)	(321,020)
8,222,626	**7,915,034**	**8,082,281**	**8,898,041**	**8,019,442**
10,558	9,930	9,912	9,831	9,314
11,562	12,400	13,426	4,555	10,172
102	71	88	131	122
(9,147)	-	-	-	-
274,800	357,623	444,314	379,209	321,020
287,875	**380,024**	**467,740**	**393,726**	**340,628**
8,510,501	**8,295,058**	**8,550,021**	**9,291,767**	**8,360,070**
660,142	65,402	(872,754)	467,772	1,320,254
(136,193)	(388,906)	62,655	109,654	197,464
$ 523,949	**$ (323,504)**	**$ (810,099)**	**$ 577,426**	**$ 1,517,718**

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Amounts in Thousands)

	2015	2014	2013	2012	2011
General Fund					
Nonspendable	$ 4,142	$ 3,118	$ 2,971	$ 4,003	$ 3,269
Assigned	921	1,894	3,641	1,885	1,377
Unassigned	108,832	119,396	87,922	7,403	(24,796)
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total General Fund	**113,895**	**124,408**	**94,534**	**13,291**	**(20,150)**
All Other Governmental Funds					
Nonspendable	111,810	109,648	102,851	100,216	74,617
Restricted	6,091,612	6,009,429	6,076,989	5,850,851	5,275,118
Assigned	49,035	41,799	47,801	86,576	36,953
Unassigned	(117,424)	(98,990)	(207,356)	(455,521)	(326,458)
Reserved	-	-	-	-	-
Unreserved, Designated for Capital Projects	-	-	-	-	-
Unreserved, Designated for Debt Service	-	-	-	-	-
Unreserved, Undesignated, Reported In:					
Special Revenue Funds	-	-	-	-	-
Permanent Funds	-	-	-	-	-
Total All Other Governmental Funds	**$ 6,135,033**	**$ 6,061,886**	**$ 6,020,285**	**$ 5,582,122**	**$ 5,060,230**

Accounting principles for reporting fund balances changed in 2011 with the implementation of GASB Statement 54. Prior years are not required to be reclassified. GASB Statement 61 redefined the reporting entity in 2013. 2012 was restated but it was not practical to restate years prior to 2012.

2010	2009	2008	2007	2006
$ 0	$ 0	$ 0	$ 0	$ 0
-	-	-	-	-
-	-	-	-	-
5,474	5,519	5,303	5,772	3,314
79,184	216,623	376,391	399,009	403,022
84,658	**222,142**	**381,694**	**404,781**	**406,336**
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,450,427	3,163,363	3,191,402	3,498,507	3,165,956
153,318	83,481	185,790	440,559	275,528
689	968	4,513	5,332	4,866
1,420,879	1,192,314	1,351,620	2,133,319	2,513,422
24,374	30,201	24,938	20,659	16,173
$ 5,049,687	**$ 4,470,327**	**$ 4,758,263**	**$ 6,098,376**	**$ 5,975,945**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Amounts in Thousands)

	2015	2014	2013	2012	2011
Revenues					
Taxes	$ 9,495,075	$ 9,179,181	$ 8,943,677	$ 8,661,089	$ 8,333,168
Licenses, Permits, and Fees	815,854	778,606	684,533	679,897	664,064
Fines, Forfeits, and Court Settlements	141,532	148,451	202,986	255,370	162,358
Investment Income	29,719	251,352	237,924	327,136	132,776
Federal Grants and Reimbursements	8,660,916	8,455,805	8,483,042	8,443,239	9,292,000
Other Revenues	1,276,973	1,150,608	1,064,083	1,149,236	1,116,093
Total Revenues	20,420,069	19,964,003	19,616,245	19,515,967	19,700,459
Expenditures					
Economic Development and Regulation	139,059	115,103	116,286	82,604	186,281
Education and Cultural Resources	6,627,937	6,506,117	6,366,268	6,369,327	6,710,719
Natural Resources and Recreation	244,108	149,825	153,860	151,359	149,952
Health	6,785,507	6,507,467	6,351,112	6,372,507	6,077,718
Social Services	2,394,865	2,365,849	2,423,399	2,459,795	2,578,242
Protection of Persons and Property	1,145,092	1,107,139	1,027,538	1,104,876	1,158,878
Transportation	1,747,040	1,680,024	1,685,764	1,557,750	1,501,744
General Government	886,909	893,213	982,379	930,737	1,033,994
Capital Outlay	36,337	49,834	55,876	80,479	52,646
Debt Service - Principal Retirement	271,906	270,795	244,736	357,677	54,892
Debt Service - Interest and Other Charges	193,120	198,700	189,960	187,763	51,874
Debt Service - Current Refunding to Bondholders	-	-	82,802	-	-
Total Expenditures	20,471,880	19,844,066	19,679,980	19,654,874	19,556,940
Other Financing Sources (Uses)					
Transfers In	3,068,106	2,809,995	2,733,138	2,869,361	1,409,958
Bonds Issued	610,960	128,985	690,870	15,700	-
Refunding Bonds Issued	106,090	814,000	131,160	257,585	91,195
Capital Leases	7,709	6,834	538	45,551	5,989
Other Debt Issued	-	-	-	-	24,262
Debt Issuance Premiums	95,175	165,400	115,957	40,085	8,491
Insurance Recovery Proceeds	5,208	3,849	9,834	5,368	5,059
Transfers Out	(3,408,617)	(3,105,254)	(3,004,228)	(3,157,233)	(1,686,355)
Payments to Refunded Bond Escrow Agent	(124,437)	(966,941)	(66,681)	(102,030)	(96,755)
Total Other Financing Sources (Uses)	360,194	(143,132)	610,588	(25,613)	(238,156)
Net Increase (Decrease) for the Year	**308,383**	**(23,195)**	**546,853**	**(164,520)**	**(94,637)**
Debt Service as a Percentage of Noncapital Expenditures	**2.42%**	**0.00**	**2.73%**	**2.8%**	**0.56%**

GASB Statement 61 redefined the reporting entity in 2013. 2012 was restated but it was not practical to restate years prior to 2012. GASB 68 added pension liabilities in 2015. Only 2014 fund balance/net assets was restated for GASB 68.

2010	2009	2008	2007	2006
$ 8,125,015	$ 8,008,871	$ 8,446,889	$ 8,252,828	$ 7,758,564
667,087	659,189	649,742	652,895	611,044
150,366	254,739	148,030	44,180	42,347
313,159	243,477	(142,347)	519,855	300,993
9,306,121	7,606,333	6,697,069	6,379,007	6,643,162
1,198,260	1,244,254	1,523,910	1,550,167	1,379,486
19,760,008	18,016,863	17,323,293	17,398,932	16,735,596
204,464	226,554	84,627	79,409	70,554
6,427,782	6,388,357	7,166,373	6,423,025	5,643,964
183,387	164,682	194,725	133,234	171,848
6,129,642	5,535,484	5,125,487	5,165,879	4,650,515
2,350,328	1,969,621	1,717,523	1,693,797	1,625,180
1,114,794	1,085,493	1,025,662	982,932	1,011,272
1,560,242	1,577,388	1,556,330	1,522,329	1,512,116
1,054,077	959,411	987,302	933,855	840,293
42,525	92,995	272,032	168,402	56,835
50,493	56,388	71,213	68,616	81,727
52,672	47,655	61,514	48,453	40,319
52,610	-	23,625	-	-
19,223,016	18,104,028	18,286,413	17,219,931	15,704,623
1,247,478	1,391,457	1,841,818	1,520,089	1,460,110
110,000	-	10,000	305,000	61,150
112,030	-	22,660	-	-
2,322	9,504	171	11,738	1,989
62,136	-	-	-	-
20,746	-	1,210	9,333	1,085
3,465	2,395	4,579	3,024	7,725
(1,592,790)	(1,757,948)	(2,289,913)	(1,907,908)	(1,791,969)
(74,415)	-	-	-	-
(109,028)	(354,592)	(409,475)	(58,724)	(259,910)
427,964	**(441,757)**	**(1,372,595)**	**120,277**	**771,063**
0.55%	**0.6%**	**0.74%**	**0.69%**	**0.79%**

REVENUE CAPACITY
Major Revenue Base: Personal Income by Industry

Last Ten Years
(Amounts in Thousands)

Industry	2014	2013	2012	2011	2010
Mining	$ 836,749	$ 840,915	$ 880,657	$ 855,675	$ 743,147
Utilities	1,765,859	1,728,519	1,659,193	1,726,128	1,560,235
Construction	7,623,717	7,119,022	7,205,484	6,835,481	6,986,512
Manufacturing	17,431,297	16,351,293	15,849,614	15,120,512	14,613,248
Wholesale Trade	5,663,330	5,403,492	5,258,399	5,210,209	5,016,542
Retail Trade	8,303,459	8,017,218	7,865,974	7,752,956	7,554,415
Transportation and warehousing	4,535,965	4,239,256	4,016,668	3,671,504	3,383,582
Finance and insurance	6,459,942	6,015,057	5,775,195	5,593,404	5,180,225
Professional and technical services	9,569,802	9,334,439	9,246,641	9,125,930	8,811,166
Government and government enterprises	24,716,794	24,216,729	24,762,578	25,275,484	25,023,391
All other	95,001,853	91,610,634	91,081,026	87,863,116	84,194,438
Total Personal Income	$ 181,908,767	$ 174,876,574	$ 173,601,429	$ 169,030,399	$ 163,066,901
State Income Taxes	3,310,531	3,206,838	2,979,877	2,816,245	2,582,590
Average Effective Rate*	1.82%	1.83%	1.72%	1.67%	1.58%

Source: Bureau of Economic Analysis, U.S. Department of Commerce

*Note: The average rate for personal income equals state income taxes divided by total personal income. Year 2014 is the most recent year data available.

2009	2008	2007	2006	2005
$ 677,671	$ 789,493	$ 705,789	$ 769,925	$ 703,645
1,547,726	1,579,468	1,521,605	1,452,230	1,352,708
6,938,577	7,611,799	7,956,401	7,794,587	6,984,855
14,516,966	16,403,497	16,668,609	16,559,619	15,709,098
5,022,683	5,425,759	5,280,265	5,085,925	4,787,590
7,450,385	7,635,379	7,914,533	7,770,191	7,467,785
3,262,369	3,474,537	3,511,236	3,433,574	3,220,367
5,322,747	5,389,427	5,350,485	5,295,524	4,876,915
9,025,490	9,074,491	8,123,021	7,657,331	6,970,506
24,130,691	23,283,803	22,169,113	20,819,101	20,003,459
79,246,130	79,325,882	74,586,697	70,023,242	65,942,094
$ 157,141,435	$ 159,993,535	$ 153,787,754	$ 146,661,249	$ 138,019,022
$ 2,726,100	$ 3,034,890	$ 3,010,548	$ 2,845,204	$ 2,557,831
1.73%	1.90%	1.96%	1.94%	1.85%

REVENUE CAPACITY
Revenue Rates: Individual and Corporate Income Tax Rates

Last Ten Calendar Years

Filing Status	**2006**
Taxable Net Income Level	Rate
Single, Head of Family, Married Filing Separate	Gross Income of $1,875 or more
Not Over $500	2%
Over $500 But Not Over $3,000	4%
Over $3,000	5%
Married Filing Jointly	Gross Income of $3,750 or more
Not Over $1,000	2%
Over $1,000 But Not Over $6,000	4%
Over $6,000	5%

Filing Status	**2007-2015**
Taxable Net Income Level	Rate
Single	Gross Income of $4,000 or more
Not Over $500	2%
Over $500 But Not Over $3,000	4%
Over $3,000	5%
Head of Family	Gross Income of $7,700 or more
Not Over $500	2%
Over $500 But Not Over $3,000	4%
Over $3,000	5%
Married Filing Separate	Gross Income of $5,250 or more
Not Over $500	2%
Over $500 But Not Over $3,000	4%
Over $3,000	5%
Married Filing Jointly	Gross Income of $10,500 or more
Not Over $1,000	2%
Over $1,000 But Not Over $6,000	4%
Over $6,000	5%

	2006-2015
Corporate Income Tax Rates	6.5%

Source: Alabama Department of Revenue

ALABAMA
TENNESSEE
TENNESSEE RIVER
RIVER
RIVER
COOSA
BLACK WARRIOR
TALLAPOOSA
CAHABA R.
RIVER
RIVER
ALABAMA
TOMBIGBEE
CONECUH R.
PEA R.
MISSISSIPPI
GEORGIA
FLORIDA
Gulf of Mexico
GREAT SEAL

REVENUE CAPACITY
Principal Revenue Payers: Individual Income Tax Filers and Liability

Last Ten Years

For Tax Year 2014

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	477,726	25%	27,155	1%
12,001- 24,000	382,163	20%	153,345	5%
24,001- 39,000	310,875	16%	291,717	10%
39,001- 60,000	261,042	14%	396,613	14%
60,001- 80,000	150,587	8%	331,784	11%
OVER 80,000	318,977	17%	1,747,553	59%
TOTAL	1,901,370	100%	2,948,167	100%

For Tax Year 2013

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	477,298	26%	26,620	1%
12,001- 24,000	383,349	20%	150,738	6%
24,001- 39,000	307,355	16%	284,139	10%
39,001- 60,000	255,616	14%	383,903	14%
60,001- 80,000	149,247	8%	326,314	12%
OVER 80,000	299,707	16%	1,545,771	57%
TOTAL	1,872,572	100%	2,717,485	100%

For Tax Year 2012

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	495,994	26%	28,657	1%
12,001- 24,000	388,751	21%	150,991	5%
24,001- 39,000	304,155	16%	282,810	10%
39,001- 60,000	253,402	13%	385,291	13%
60,001- 80,000	147,366	8%	327,971	11%
OVER 80,000	295,562	16%	1,745,714	60%
TOTAL	1,885,230	100%	2,921,434	100%

For Tax Year 2011

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	508,015	27%	25,527	1%
12,001- 24,000	391,371	21%	148,582	6%
24,001- 39,000	301,431	16%	275,551	10%
39,001- 60,000	251,925	13%	377,668	14%
60,001- 80,000	145,089	8%	318,738	12%
OVER 80,000	280,952	15%	1,509,678	57%
TOTAL	1,878,783	100%	2,655,744	100%

For Tax Year 2010

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	491,334	27%	18,570	1%
12,001- 24,000	379,344	21%	135,460	6%
24,001- 39,000	299,181	15%	268,620	11%
39,001- 60,000	248,925	14%	361,130	15%
60,001- 80,000	144,736	8%	305,220	12%
OVER 80,000	270,012	15%	1,338,410	55%
TOTAL	1,833,532	100%	2,427,410	100%

Note: Due to legal confidentiality issues, the names of the ten largest individual income tax payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's income tax revenue.

Source: Alabama Department of Revenue
Year 2014 is the most recent data available.

For Tax Year 2009

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	533,337	28%	24,573	1%
12,001- 24,000	397,273	21%	150,509	6%
24,001- 39,000	309,742	16%	278,400	11%
39,001- 60,000	256,580	13%	376,757	16%
60,001- 80,000	144,920	8%	311,292	13%
OVER 80,000	262,361	14%	1,292,084	53%
TOTAL	1,904,213	100%	2,433,615	100%

For Tax Year 2008

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	514,586	28%	22,000	1%
12,001- 24,000	377,749	20%	161,000	6%
24,001- 39,000	301,812	16%	269,000	11%
39,001- 60,000	253,458	14%	359,000	15%
60,001- 80,000	146,330	8%	300,000	12%
OVER 80,000	265,237	14%	1,344,000	55%
TOTAL	1,859,172	100%	2,455,000	100%

For Tax Year 2007

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 12,000	526,003	27%	25,258	1%
12,001- 24,000	416,646	21%	159,353	6%
24,001- 39,000	330,490	17%	289,406	10%
39,001- 60,000	268,594	14%	387,854	14%
60,001- 80,000	151,822	8%	320,206	12%
OVER 80,000	272,191	13%	1,576,154	57%
TOTAL	1,965,746	100%	2,758,231	100%

For Tax Year 2006

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 10,000	372,455	22%	22,525	2%
10,001- 20,000	326,257	20%	107,094	7%
20,001- 40,000	408,237	24%	273,349	18%
40,001- 60,000	216,114	13%	230,940	15%
60,001- 80,000	130,007	8%	192,987	13%
OVER 80,000	211,074	13%	680,800	45%
TOTAL	1,664,144	100%	1,507,695	100%

For Tax Year 2005

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
LESS THAN 10,000	382,264	24%	23,678	1%
10,001- 20,000	325,968	20%	114,997	6%
20,001- 40,000	396,010	24%	328,108	17%
40,001- 60,000	206,285	13%	302,402	16%
60,001- 80,000	125,030	8%	267,624	14%
OVER 80,000	185,030	11%	895,822	46%
TOTAL	1,620,587	100%	1,932,631	100%

REVENUE CAPACITY
Principal Revenue Payers: Corporate Income Tax Filers and Liability

Last NineYears

For Tax Year 2013

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	18,897	82%	5,655	1%
50,001- 100,000	1,152	5%	5,234	1%
100,001- 500,000	1,660	7%	23,928	5%
500,001- 1,000,000	437	2%	18,766	4%
1,000,001- and higher	810	4%	400,521	89%
TOTAL	22,956	100%	454,104	100%

For Tax Year 2012

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	19,466	82%	5,635	1%
50,001- 100,000	1,137	5%	5,277	1%
100,001- 500,000	1,726	7%	25,689	6%
500,001- 1,000,000	432	2%	19,911	5%
1,000,001- and higher	835	4%	385,641	87%
TOTAL	23,596	100%	442,153	100%

For Tax Year 2011

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	18,652	83%	5,579	1%
50,001- 100,000	1,112	5%	5,140	1%
100,001- 500,000	1,594	7%	23,728	6%
500,001- 1,000,000	434	2%	20,141	5%
1,000,001- and higher	729	3%	371,488	87%
TOTAL	22,521	100%	426,076	100%

For Tax Year 2010

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	18,989	85%	5,448	1%
50,001- 100,000	1,023	5%	4,703	1%
100,001- 500,000	1,398	6%	20,888	5%
500,001- 1,000,000	348	1%	16,250	4%
1,000,001- and higher	689	3%	360,704	89%
TOTAL	22,447	100%	407,993	100%

For Tax Year 2009

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	18,232	84%	5,295	2%
50,001- 100,000	989	5%	4,498	1%
100,001- 500,000	1,392	6%	19,764	6%
500,001- 1,000,000	377	2%	16,337	5%
1,000,001- and higher	653	3%	279,096	86%
TOTAL	21,643	100%	324,990	100%

Note: Due to legal confidentiality issues, the names of the ten largest corporate income tax payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's income tax revenue.

Source: Alabama Department of Revenue
Year 2013 is the most recent data available.

For Tax Year 2008

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	19,535	83%	6,316	1%
50,001- 100,000	1,217	5%	5,570	1%
100,001- 500,000	1,624	7%	23,328	5%
500,001- 1,000,000	423	2%	17,709	4%
1,000,001- and higher	783	3%	419,016	89%
TOTAL	23,582	100%	471,939	100%

For Tax Year 2007

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	20,384	82%	6,815	1%
50,001- 100,000	1,400	6%	6,378	1%
100,001- 500,000	1,805	7%	26,855	5%
500,001- 1,000,000	467	2%	21,468	4%
1,000,001- and higher	784	3%	491,206	89%
TOTAL	24,840	100%	552,722	100%

For Tax Year 2006

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	20,673	83%	7,355	1%
50,001- 100,000	1,421	5%	6,487	1%
100,001- 500,000	1,735	7%	25,872	5%
500,001- 1,000,000	458	2%	21,311	4%
1,000,001- and higher	767	3%	469,768	89%
TOTAL	25,054	100%	530,793	100%

For Tax Year 2005

Alabama Taxable Income	Number of Filers	Percentage of Total	Tax Liability (In Thousands)	Percentage of Total
50,000 and lower	28,371	89%	6,141	2%
50,001- 100,000	1,166	4%	5,209	1%
100,001- 500,000	1,392	4%	20,079	5%
500,001- 1,000,000	362	1%	16,642	4%
1,000,001- and higher	545	2%	339,126	88%
TOTAL	31,836	100%	387,197	100%

DEBT CAPACITY
Ratios of Outstanding Debt

Last Ten Fiscal Years
(Amounts in Thousands, Except Per Capita Amount)

	2015	2014	2013	2012	2011
Primary Government					
Governmental Activities:					
General Obligation Bonds	$ 631,497	$ 680,476	$ 705,367	$ 713,718	$ 748,183
Revenue Bonds	3,942,889	3,517,971	3,580,726	3,044,393	3,176,226
Capital Leases/Notes/Mortgages	180,902	184,946	173,661	181,117	144,811
Total Governmental Activities	**4,755,288**	**4,383,393**	**4,459,754**	**3,939,228**	**4,069,220**
Business-type Activities:					
Revenue Bonds	634,547	633,492	658,267	672,162	665,620
Capital Leases/Notes/Mortgages	4,607	5,848	5,442	6,840	8,871
Total Business-Type Activities	**639,154**	**639,340**	**663,709**	**679,002**	**674,491**
Total Primary Government	**$ 5,394,442**	**$ 5,022,733**	**$ 5,123,463**	**$ 4,618,230**	**$ 4,743,711**
Debt as a percentage of Personal Income †	2.85%	2.76%	2.93%	2.66%	2.81%
Amount of Debt per Capita †	$ 1,110	$ 1,039	$ 1,060	$ 959	$ 988

Notes: Details regarding the State's outstanding debt can be found in Note 5 of the financial statements.
Fiscal year 2015 personal income and population data are estimated.
All years presented with revised population and personal income data.
Debt for years prior to 2014 have been restated for the effects of GASB statement 61.

† See the Schedule of Demographic and Economic Statistics on page 307 for personal income and population data.

2010	2009	2008	2007	2006
$ 775,893	$ 687,336	$ 721,145	$ 773,253	$ 516,973
3,163,629	2,889,186	3,000,661	1,966,774	2,104,047
117,115	43,549	41,934	42,352	25,643
4,056,637	**3,620,071**	**3,763,740**	**2,782,379**	**2,646,663**
647,299	629,275	623,599	569,575	391,849
11,688	14,275	16,224	20,877	39,228
658,987	**643,550**	**639,823**	**590,452**	**431,077**
$ 4,715,624	**$ 4,263,621**	**$ 4,403,563**	**$ 3,372,831**	**$ 3,077,740**
2.91%	2.72%	2.77%	2.20%	2.10%
$ 985	$ 896	$ 933	$ 722	$ 665

DEBT CAPACITY
Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(Amounts in Thousands, Except Per Capita Amount)

Fiscal Year	General Obligation Bonds Payable	Revenue Bonds	Total Debt Outstanding	Amounts Available in Debt Service Funds	Net Bonded Debt	Percentage of of Personal Income †	Per Capita †
2015	$ 631,497	$ 4,577,436	$ 5,208,933	$ 218,089	$ 4,990,844	2.64%	$ 1,027
2014	680,476	4,151,463	4,831,939	205,795	4,626,144	2.54%	954
2013	705,367	4,238,993	4,944,360	187,061	4,757,299	2.72%	984
2012	713,718	3,716,555	4,430,273	172,030	4,258,243	2.45%	884
2011	748,183	3,841,846	4,590,029	152,556	4,437,473	2.63%	924
2010	775,893	3,810,928	4,586,821	156,883	4,429,938	2.72%	926
2009	687,336	3,518,461	4,205,797	87,100	4,118,697	2.62%	866
2008	721,145	3,624,260	4,345,405	141,953	4,203,452	2.63%	891
2007	773,253	2,536,349	3,309,602	143,580	3,166,022	2.06%	676
2006	516,973	2,495,896	3,012,869	98,154	2,914,715	1.99%	630

Note: Details regarding the State's outstanding debt can be found in Note 5 of the financial statements.

† See the Schedule of Demographic and Economic Statistics on page 307 for personal income and population data.

Debt for years prior to 2014 have been restated for the effects of GASB Statement 61.

Fiscal year 2015 personal income and population data are estimated.

All years presented with revised population and personal income data.

The *Constitution of Alabama of 1901* prohibits the issuance of debt by the State. The State does issue revenue bonds which are limited obligations of public corporations governed by State officials. General Obligation bonds are issued only by voter ratified amendments to the *Constitution of Alabama of 1901*.

DEBT CAPACITY
Pledged Revenue Coverage – Primary Government Revenue Bonds

Last Ten Fiscal Years
(Amounts in Thousands)

	2015	2014	2013	2012	2011
State Port Authority					
Revenue-Charges for facilities usage	$ 144,886	$ 162,318	$ 147,508	$ 144,686	$ 121,533
Debt Service					
Principal	9,245	8,770	8,290	7,895	7,525
Interest	16,955	17,063	17,350	17,983	16,775
Coverage [1]	5.53	6.28	5.75	5.59	5.00
Alabama College System					
Revenue-Tuition and Fees	143,738	146,506	170,709	169,874	169,124
Debt Service					
Principal	15,549	25,511	14,226	16,575	15,475
Interest	10,585	11,115	11,351	11,881	11,652
Coverage [1]	5.50	4.00	6.67	5.97	6.23
Federal Aid Highway Finance Authority					
Revenue-Federal Revenue	900,906	941,952	913,307	823,507	923,363
Debt Service					
Principal	23,740	22,675	14,540	13,930	13,605
Interest	30,063	18,562	14,440	3,412	5,259
Coverage [1]	16.74	22.84	31.52	47.49	48.95
Alabama Incentives Financing Authority					
Tennessee Valley Exhibit Commission					
Revenue-Tennessee Valley Electric Payment	17,513	18,118	19,055	20,642	19,903
Debt Service					
Principal	5,550	5,360	6,025	5,045	4,935
Interest	12,384	12,573	11,919	6,977	7,088
Coverage [1]	0.98	1.01	1.06	1.72	1.66

Details regarding the State's outstanding bonds can be found in Note 5 of the financial statements.

[1] Coverage equals revenue divided by debt service.

2010	2009	2008	2007	2006
$ 106,460	$ 103,420	$ 125,070	$ 109,735	$ 88,155
7,165	6,830	7,250	6,260	5,910
12,361	14,656	13,428	9,770	10,124
5.45	4.81	6.05	6.85	5.50
148,468	130,763	119,710	119,246	114,737
14,955	14,150	14,311	12,970	12,045
11,393	12,198	12,027	9,448	9,968
5.63	4.96	4.55	5.32	5.21
979,460	726,063	831,530	748,952	790,928
13,010	12,450	11,920	11,415	10,910
5,890	6,527	7,136	7,669	8,123
51.82	38.26	43.64	39.25	41.56
20,851	20,813	19,313	18,328	18,592
140	1,760	2,630	2,480	2,340
6,638	5,982	6,202	7,473	7,920
3.08	2.69	2.19	1.84	1.81

Continued on next page

DEBT CAPACITY
Pledged Revenue Coverage – Primary Government Revenue Bonds
(Continued from previous page)
Last Ten Fiscal Years
(Amounts in Thousands)

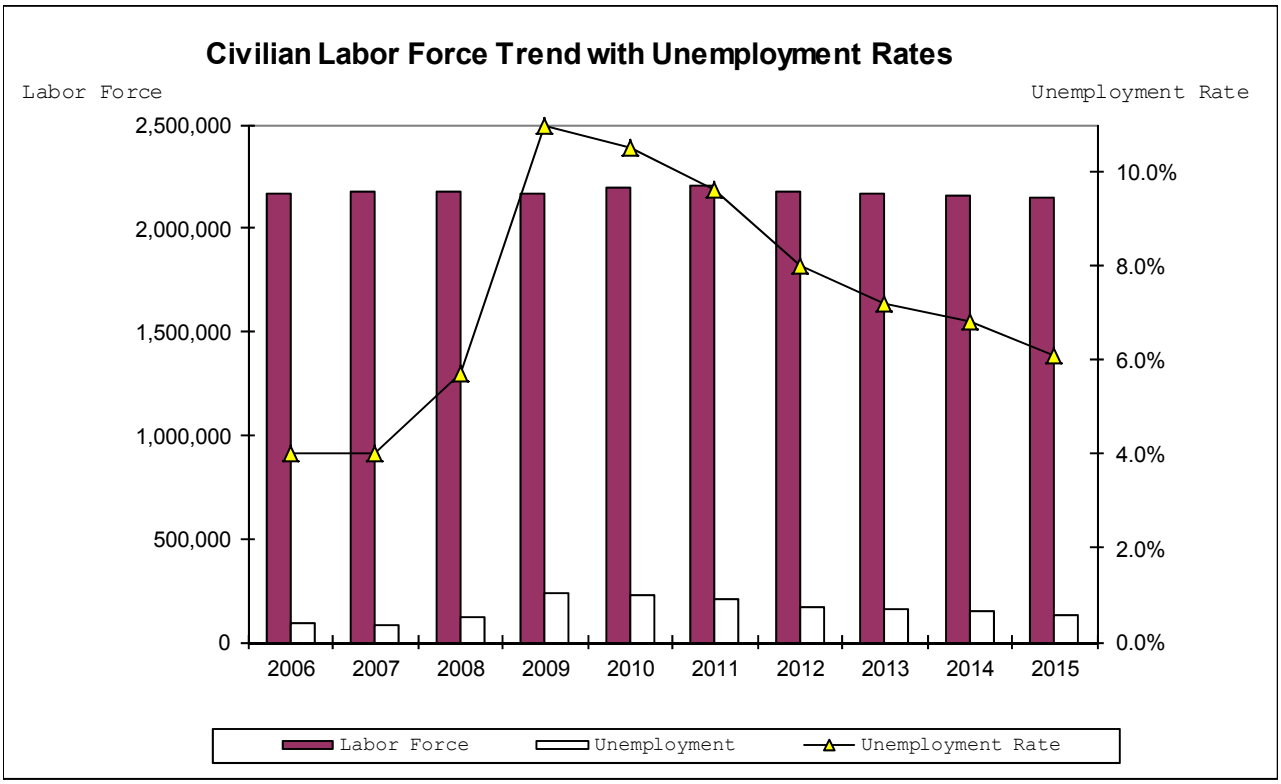
	2015	2014	2013	2012	2011
Public School and College Authority					
Revenue-General Sales Tax, Utility Tax, Use Tax	$ 2,441,906	$ 2,459,428	$ 2,353,497	$ 2,441,387	$ 2,370,684
Debt Service					
Principal	168,460	178,200	163,325	101,770	69,180
Interest	101,762	115,995	108,860	123,123	114,892
Coverage [1]	9.04	8.36	8.65	10.86	12.88
Mental Health Financing Authority					
Revenue-Cigarette Tax	5,477	5,510	5,652	5,930	6,121
Debt Service					
Principal	1,700	1,650	1,400	1,325	1,255
Interest	383	437	448	195	234
Coverage [1]	2.63	2.64	3.06	3.90	4.11
Alabama Revolving Fund Authority					
Revenue-Mobile Telecommunications Tax	57,320	70,117	80,511	82,404	94,790
Debt Service					
Principal	930	905	885	865	-
Interest	916	940	962	984	746
Coverage [1]	31.05	38.00	43.59	44.57	127.06
Alabama Twenty-first Century Authority					
Revenue-Tobacco Settlement	13,000	13,000	13,000	13,000	13,000
Debt Service					
Principal	8,820	8,525	180	6,530	6,205
Interest	4,025	4,281	4,287	7,110	6,339
Coverage [1]	1.01	1.02	2.91	0.95	1.04
Alabama Highway Finance Corporation					
Revenue-0.07 Gasoline Tax, 0.13 diesel fuel tax, 0.06 diesel fuel tax, motor carrier tax, inspection fees, identification marker fees	354,209	-	-	-	-
Debt Service					
Principal	3,410	-	-	-	-
Interest	405	-	-	-	-
Coverage [1]	92.85				

Details regarding the State's outstanding bonds can be found in Note 5 of the financial statements.

2010	2009	2008	2007	2006
$ 2,328,626	$ 2,307,959	$ 2,514,550	$ 2,482,747	$ 2,374,944
71,235	130,720	91,215	87,765	110,240
132,698	116,126	93,359	72,688	76,720
11.42	9.35	13.62	15.47	12.70
6,205	6,364	6,562	6,828	6,996
1,190	4,710	4,775	4490	4,420
270	505	745	969	1,145
4.25	1.22	1.19	1.25	1.26
105,919	108,781	101,287	101,057	90,919
515	475	440	405	370
702	743	780	815	847
87.03	89.31	83.02	82.83	74.71
13,000	13,000	13,000	13,000	13,000
5,910	5,625	5,360	5,100	4,855
6,659	6,958	7,241	7,513	7,773
1.03	1.03	1.03	1.03	1.03
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

Last Ten Years

Year	Labor Force	Employment	Unemployment	Unemployment Rate
2006	2,167,809	2,080,233	87,576	4.0%
2007	2,175,612	2,089,127	86,485	4.0%
2008	2,176,489	2,053,477	123,012	5.7%
2009	2,162,999	1,924,747	238,252	11.0%
2010	2,196,042	1,964,559	231,483	10.5%
2011	2,202,670	1,990,413	212,257	9.6%
2012	2,174,972	2,001,849	173,123	8.0%
2013	2,167,238	2,010,431	156,807	7.2%
2014	2,161,313	2,014,284	147,029	6.8%
2015	2,146,157	2,015,189	130,968	6.1%

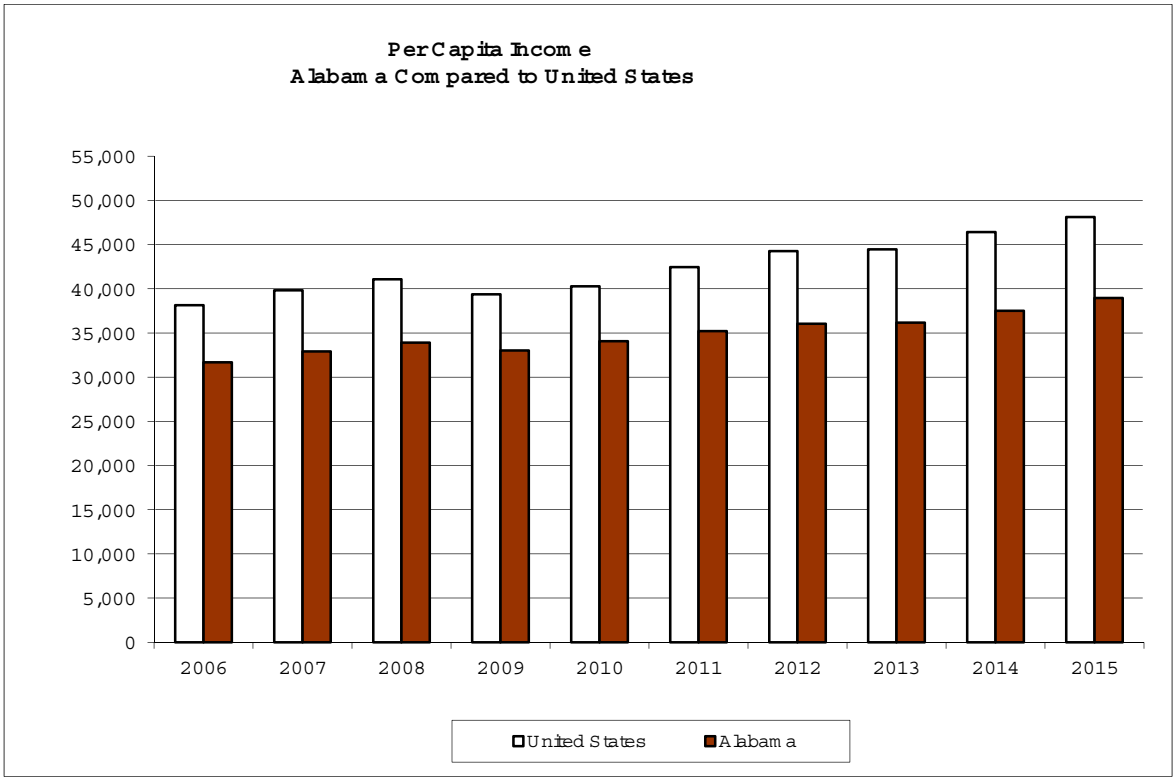


Note: Data were not seasonally adjusted.
2009-2015 data reflects revised population controls and model reestimation with the Bureau of Labor Statistics.
Sources: Local Area Unemployment Statistics, Bureau of Labor Statistics, U. S. Department of Labor

DEMOGRAPHIC AND ECONOMIC INFORMATION
Population/Per Capita Personal Income Statistics

Last Ten Years

	Population		Per Capita Personal Income		Personal income (in Thousands)	
Year	United States	Alabama	United States	Alabama	United States	Alabama
2006	298,379,912	4,628,981	38,144	31,683	11,381,350,000	146,661,249
2007	301,231,207	4,672,840	39,821	32,911	11,995,419,000	153,787,754
2008	304,093,966	4,718,206	41,082	33,910	12,492,705,000	159,993,535
2009	306,771,529	4,757,938	39,376	33,027	12,079,444,000	157,141,435
2010	309,346,863	4,785,822	40,277	34,073	12,459,613,000	163,066,901
2011	311,718,857	4,801,695	42,453	35,202	13,233,436,000	169,030,399
2012	314,102,623	4,817,484	44,267	36,036	13,904,485,000	173,601,429
2013	316,427,395	4,833,996	44,462	36,176	14,068,960,000	174,876,574
2014	318,907,401	4,849,377	46,414	37,512	14,801,624,000	181,908,767
2015	321,418,820	4,859,672	48,112	38,965	15,463,981,000	189,356,877



Note: Year 2015 is the most recent year for which data are available.
Each year's data is updated by the U.S. Department of Commerce.
Sources: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

DEMOGRAPHIC AND ECONOMIC INFORMATION
Top Ten Employers in Alabama

Last Ten Years

	2015			2014		
Employer	Employment Range	Rank	% of Total State Employment	Employment Range	Rank	% of Total State Employment
Wal Mart Associates Inc	30,000-39,999	1	1.87%	30,000-39,999	1	1.89%
Army	20,000-29,999	2	1.33%	20,000-29,999	2	1.35%
Regions Bank	5,000-9,999	3	0.40%	5,000-9,999	3	0.41%
US Postal Service	5,000-9,999	4	0.40%	5,000-9,999	5	0.41%
University of Alabama-Birmingham	5,000-9,999	5	0.40%	5,000-9,999	4	0.41%
Mobile Education Board	5,000-9,999	6	0.40%	5,000-9,999	6	0.41%
Alabama Power Co Electric	5,000-9,999	7	0.40%	5,000-9,999	7	0.41%
Publix Alabama LLC	5,000-9,999	8	0.40%	5,000-9,999	8	0.41%
Huntsville Hospital	5,000-9,999	9	0.40%	5,000-9,999	9	0.41%
Auburn University	5,000-9,999	10	0.40%	-	-	-
Ascension Health Minsitry Service	-	-	-	5,000-9,999	10	0.41%
	90,000-149,990		6.40%	90,000-149,990		6.52%

	2013			2012		
Employer	Employment Range	Rank	Total State Employment	Employment Range	Rank	Total State Employment
Wal Mart Associates Inc	30,000-39,999	1	1.96%	30,000-39,999	1	1.93%
Army	20,000-29,999	2	1.39%	20,000-29,999	2	1.38%
Mobile Education Board	5,000-9,999	3	0.41%	5,000-9,999	3	0.41%
University Of Alabama-Birmingham	5,000-9,999	4	0.41%	5,000-9,999	5	0.41%
U S Postal Service	5,000-9,999	5	0.41%	5,000-9,999	4	0.41%
Alabama Power Co Electric	5,000-9,999	6	0.41%	5,000-9,999	6	0.41%
Regions Bank	5,000-9,999	7	0.41%	5,000-9,999	8	0.41%
Huntsville Hospital	5,000-9,999	8	0.41%	5,000-9,999	9	0.41%
Publix Alabama LLC	5,000-9,999	9	0.41%	-	-	-
Auburn University	5,000-9,999	10	0.41%	-	-	-
The University of Alabama	-	-	-	5,000-9,999	10	0.41%
Univ. Of Alabama In Birmingham Medical Center	-	-	-	5,000-9,999	7	0.41%
	90,000-149,990		6.63%	90,000-149,990		6.59%

Note: All figures are based on March of each year. Percentage of Total State Employment is based on the midpoints in the ranges given. State of Alabama is excluded.
Source: Alabama Department of Labor - Labor Market Information Division

Employer	2011 Employment Range	2011 Rank	2011 % of Total State Employment	2010 Employment Range	2010 Rank	2010 % of Total State Employment	2009 Employment Range	2009 Rank	2009 % of Total State Employment
Wal Mart Associates Inc	30,000-39,999	1	1.93%	30,000-39,999	1	1.94%	30,000-39,999	1	1.90%
Army	20,000-29,999	2	1.38%	20,000-29,999	2	1.39%	20,000-29,999	2	1.36%
Mobile Education Board	5,000-9,999	3	0.41%	5,000-9,999	4	0.42%	5,000-9,999	4	0.41%
U S Postal Service	5,000-9,999	4	0.41%	5,000-9,999	3	0.42%	5,000-9,999	3	0.38%
University Of Alabama-Birmingham	5,000-9,999	5	0.41%	5,000-9,999	6	0.42%	5,000-9,999	6	0.41%
Alabama Power Co Electric	5,000-9,999	6	0.41%	5,000-9,999	7	0.42%	5,000-9,999	7	0.41%
Regions Bank	5,000-9,999	7	0.41%	5,000-9,999	5	0.42%	5,000-9,999	9	0.41%
U. Of Ala In Bham Medical Center	5,000-9,999	8	0.41%	5,000-9,999	8	0.42%	5,000-9,999	8	0.41%
Huntsville Hospital	5,000-9,999	9	0.41%	5,000-9,999	10	0.42%	-	-	-
The Univerisy of Alabama	5,000-9,999	10	0.41%	-	-	-	-	-	-
Pilgrims Pride Corporation	-	-	-	5,000-9,999	9	0.42%	5,000-9,999	10	0.41%
Winn Dixie	-	-	-	-	-	-	5,000-9,999	5	0.41%
	90,000-149,990		6.59%	90,000-149,990		6.69%	95,000-159,990		6.51%

Employer	2008 Employment Range	2008 Rank	2008 % of Total State Employment	2007 Employment Range	2007 Rank	2007 % of Total State Employment	2006 Employment Range	2006 Rank	2006 % of Total State Employment
Wal Mart Associates Inc	30,000-39,999	1	1.80%	30,000-39,999	1	1.79%	30,000-39,999	1	1.82%
Army	20,000-29,999	2	1.28%	20,000-29,999	2	1.28%	20,000-29,999	2	1.30%
Mobile Education Board	10,000-19,999	3	0.77%	10,000-19,999	4	0.77%	5,000-9,999	3	0.39%
U S Postal Service	5,000-9,999	4	0.39%	10,000-19,999	3	0.77%	5,000-9,999	7	0.39%
Regions Bank	10,000-19,999	5	0.77%	5,000-9,999	5	0.38%	5,000-9,999	10	0.39%
University Of Alabama-Birmingham	5,000-9,999	6	0.39%	5,000-9,999	6	0.38%	5,000-9,999	4	0.39%
Alabama Power Co Electric	5,000-9,999	7	0.39%	5,000-9,999	9	0.38%	5,000-9,999	5	0.39%
Pilgrims Pride Corporation	5,000-9,999	8	0.39%	5,000-9,999	7	0.38%	-	-	-
U. Of Ala In Bham Medical Center	5,000-9,999	9	0.39%	5,000-9,999	8	0.38%	5,000-9,999	6	0.39%
Huntsville Hospital	5,000-9,999	10	0.39%	-	-	-	-	-	-
Winn Dixie Montgomery	-	-	-	5,000-9,999	10	0.38%	5,000-9,999	9	0.39%
Gold Kist Inc	-	-	-	-	-	-	5,000-9,999	8	0.39%
	95,000-159,990		6.96%	100,000-169,990		6.89%	90,000-149,990		6.24%

OPERATING INFORMATION
State Government Employment by Function

Last Ten Years

	2015	2014	2013	2012	2011
Primary Government					
Governmental Activities:					
Economic Development and Regulation	691	708	719	724	745
Education and Cultural Resources	1,310	1,292	1,111	1,089	1,183
Natural Resources and Recreation	1,447	1,459	1,453	1,483	1,476
Health	5,228	5,429	5,069	6,032	5,403
Social Services	5,782	5,824	5,713	5,696	5,911
Protection of Person and Property	6,381	7,815	8,253	8,422	8,137
Transportation	4,972	4,329	4,795	4,963	4,989
General Government	5,312	4,469	4,048	4,031	4,464
Total Governmental Activities	**31,123**	**31,325**	**31,161**	**32,440**	**32,308**
Business-type Activities:					
Alcoholic Beverage Control Board	794	879	896	899	906
State Port Authority	188	187	187	188	181
Alabama Community College System	1,900	1,909	1,879	1,941	1,953
Total Business-Type Activities	**2,882**	**2,975**	**2,962**	**3,028**	**3,040**
Total Primary Government	**34,005**	**34,300**	**34,123**	**35,468**	**35,348**

Note: Includes State Merit System, House, Senate, and Administrative Office of the Courts.

Sources: Alabama Personnel Department
Alabama Commission on Higher Education
Alabama Administrative Office of the Courts
Alabama House of Representatives
Alabama Senate

2010	2009	2008	2007	2006
802	881	881	882	836
1,254	1,200	1,226	1,210	1,117
1,451	1,454	1,608	1,378	1,460
5,626	5,513	5,644	5,493	5,167
6,108	5,966	5,968	6,163	6,277
8,521	8,445	8,317	8,057	7,842
5,363	5,301	5,368	5,263	5,169
4,587	4,686	4,731	4,458	4,173
33,712	**33,446**	**33,743**	**32,904**	**32,041**
902	901	898	895	851
185	193	200	184	165
1,950	1,937	1,916	1,885	1,792
3,037	**3,031**	**3,014**	**2,964**	**2,808**
36,749	**36,477**	**36,757**	**35,868**	**34,849**

Last Nine Fiscal Years

	2015	2014	2013	2012	2011
Economic Development and Regulation					
Forestry Commission					
Number of fires	2,377	1,485	1,682	1,421	3,665
Average acres burned	13	16	13	12	19
Agriculture and Industries					
Pounds of meat processed under inspection	86,648,858	83,532,371	104,532,371	87,148,545	92,168,293
Educational and Cultural Resources					
Education Department					
Teachers	46,480	46,232	46,089	46,073	47,573
Number of local schools supported	1,480	1,491	1,501	1,496	1,523
Number of children served	740,567	740,567	739,295	743,130	749,084
Natural Resources and Recreation					
Conservation and Natural Resources					
Number of guests to outdoor recreational sites	3,613,957	3,524,785	4,231,342	3,992,768	3,899,694
Acres of land managed	441,351	436,445	424,621	318,535	293,559
Number of registered boats	262,332	263,893	266,697	266,003	250,402
Health - Physical and Mental					
Public Health					
Vital records issued	617,154	572,855	552,565	471,065	440,327
Medicaid					
Average number of monthly recipients	436,796	422,142	422,448	416,558	411,062
Average Number of claims processed monthly	1,769,199	1,697,512	1,830,587	1,799,182	1,785,966
Social Services					
Industrial Relations					
Employment Security claims	198,482	217,804	256,490	284,253	346,020
Human Resources					
Number of visits to licensed child care centers	2,263	2,508	2,420	2,581	3,203
Child support caseload	18,827	230,915	236,273	236,000	234,000
Households receiving food assistance	417,943	420,629	421,302	411,710	387,214
Number of child abuse/neglect assessments	24,505	22,151	20,456	19,884	19,538
Protection of Persons and Property					
Department of Corrections					
Number of inmates	24,191	24,816	25,340	25,376	25,651
Public Safety					
Arrest tickets issued	267,182	236,958	289,757	411,086	436,802
Accidents investigated	30,850	28,423	29,150	31,544	30,227
Pardons and Paroles					
Number of board decisions	7,239	7,967	9,450	11,946	11,097
Number of offenders supervised	66,736	64,534	64,525	67,339	75,132
Forensic Sciences					
Number of death cases investigated	2,433	2,631	2,464	2,394	2,476
Transportation					
Transportation Department					
Roadway miles	10,874	10,871	10,871	10,870	10,849
Bridges	5,390	5,401	5,393	5,390	5,395
General Government					
Administrative Office of Courts					
Caseload	1,630,981	1,682,245	1,814,366	2,039,383	2,248,910
Revenue Department					
Number of payments received	3,162,976	3,104,588	2,925,412	3,460,511	4,368,358

2010	2009	2008	2007
2,314	2,094	2,450	4,591
11	11	10	16
111,056,537	97,868,453	105,603,617	88,835,448
48,165	49,364	49,364	49,574
1,520	1,376	1,367	1,358
739,198	739,197	744,000	739,552
3,758,217	3,366,161	3,082,009	3,031,646
210,834	198,802	197,451	10,946
248,514	271,206	273,406	273,987
432,547	479,904	517,723	584,475
397,583	375,542	350,646	n/a
1,726,496	1,631,021	1,500,484	n/a
359,287	506,603	285,075	237,697
3,254	3,435	4,060	3,650
229,000	229,635	228,479	228,019
344,788	280,625	231,470	226,855
17,221	n/a	29,301	28,566
25,390	25,854	25,303	27,062
533,220	568,505	538,910	407,289
30,520	30,904	33,115	31,939
10,284	12,954	12,158	11,546
71,578	67,579	66,196	58,862
2,403	2,512	4,098	3,607
10,876	10,877	10,875	11,235
5,374	5,368	5,362	5,683
2,589,067	2,611,460	2,589,796	2,353,372
3,318,271	3,296,454	3,304,603	n/a

OPERATING INFORMATION
Indicators of Volume, Usage, and Nature of Capital Assets

Last Ten Fiscal Years

	2015*	2014	2013	2012	2011
Economic Development and Regulation					
Forestry Commission					
Buildings	3	159	159	159	159
Vehicles	431	400	307	303	360
Heavy Equipment	362	613	569	547	569
Educational and Cultural Resources					
Education Television					
Buildings	1	25	25	25	25
Natural Resources and Recreation					
Conservation and Natural Resources					
Buildings	85	680	678	671	677
Vehicles	637	743	761	739	740
Heavy Equipment	164	219	223	218	222
Health					
Environmental Management					
Vehicles	176	161	185	173	177
Mental Health					
Buildings	20	85	189	190	190
Vehicles	65	79	80	91	134
Social Services					
Human Resources					
Buildings	37	37	36	36	34
Protection of Persons and Property					
Agriculture and Industries					
Vehicles	102	158	163	154	165
Corrections					
Buildings	137	405	399	391	385
Vehicles	491	560	535	503	504
Military					
Buildings	185	646	641	647	657
Alabama Law Enforcement					
Vehicles	1,136	1,131	1,184	1,089	1,372
Youth Services					
Buildings	32	112	112	113	114
Vehicles	35	89	86	85	114
Pardons and Paroles					
Vehicles	197	324	319	312	329
Transportation					
Transportation					
Buildings	87	583	583	562	526
Vehicles	2,150	2,062	2,193	2,099	2,276
Heavy Equipment	1,193	1,047	1,096	1,032	1,092
General Government					
Administrative Office of Courts					
Vehicles	9	14	14	14	22
Revenue Department					
Vehicles	15	21	28	29	34

* Capitalization thresholds for capital assets were revised upward in 2015 resulting in a decrease in the number of items capitalized. It was not practical to restate years prior to 2015.

2010	2009	2008	2007	2006
160	159	142	142	142
379	380	371	397	326
654	657	671	690	682
26	26	24	24	24
678	668	659	631	611
760	778	774	759	689
214	211	207	211	212
183	163	178	189	196
190	251	359	359	362
132	132	184	172	167
31	30	31	30	30
246	249	234	233	236
370	370	362	362	362
446	421	446	448	404
665	669	680	642	688
1,353	1,275	1,375	1,357	1,159
115	118	119	118	118
106	103	101	96	89
321	322	305	262	252
510	510	501	473	472
2,039	2,062	2,343	2,379	2,356
1,093	1,061	1,146	1,127	1,130
23	22	20	17	7
29	26	27	27	27